

# **State & Schools Actuarial Valuation**

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***As of June 30, 2006***

***Establishing Required Contributions  
for the Fiscal Year***

***July 1, 2007 through June 30, 2008***

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**State & Schools  
Actuarial Valuation  
as of June 30, 2006**

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## Actuarial Certification

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the funded condition of the CalPERS' State and Schools plans. This valuation is based on the member and financial data as of June 30, 2006, provided by the various CalPERS databases, and the benefit plans as outlined in Appendix B. It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles, in accordance with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for these plans, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

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## HIGHLIGHTS AND EXECUTIVE SUMMARY

- PURPOSE OF THE REPORT
- EMPLOYER REQUIRED CONTRIBUTIONS
- RECENT PATTERN OF RETIREMENTS
- FUNDED STATUS OF THE PLANS
- CHANGES SINCE THE PRIOR VALUATION
- SUBSEQUENT EVENTS

## Purpose of the Report

This actuarial valuation of the State and Schools plans of the California Public Employees' Retirement System (CalPERS) was performed by CalPERS' staff actuaries using data as of June 30, 2006 in order to:

- set forth the actuarial assets and funding liabilities of these plans as of June 30, 2006;
- establish the actuarially required contribution rates of these plans for the fiscal year July 1, 2007 through June 30, 2008;
- provide actuarial information as of June 30, 2006 to the CalPERS Board of Administration and other interested parties; and
- provide pension information as of June 30, 2006 to be used in financial reports subject to Governmental Accounting Standards Board Statement Number 27.

Use of this report for other purposes may be inappropriate. Numbers in this report may not add up due to rounding.

## Employer Required Contributions

The actuarially required contributions for the fiscal year July 1, 2007 through June 30, 2008 are shown below. For comparison purposes, the corresponding contributions for fiscal year July 1, 2006 through June 30, 2007 are also provided.

	2006-2007 Fiscal Year		2007-2008 Fiscal Year	
	Employer Contribution	Employer Rate	Employer Contribution	Employer Rate
State Miscellaneous Tier 1	\$1,428,596,340	16.997%	\$1,413,213,985	16.633%
State Miscellaneous Tier 2	82,561,067	16.778%	76,240,651	16.565%
State Industrial	67,783,974	17.861%	66,099,489	17.345%
State Safety	213,573,959	19.294%	230,863,410	18.835%
State Peace Officers & Firefighters	700,913,721	24.505%	781,314,695	25.552%
California Highway Patrol	171,833,064	31.463%	179,197,020	32.212%
<b>Subtotal State</b>	<b>\$2,665,262,125</b>		<b>\$2,746,929,250</b>	
Schools	841,504,282	9.124%	919,528,538	9.306%

The supporting exhibits in this report entitled "Reconciliation of Employer Contribution Rates" on page 34 and "Reconciliation of Employer Contributions" on page 36 provide explanations of the changes in rates from the 2006-2007 fiscal year to the 2007-2008 fiscal year.

A history of the required contribution rates is included on page 38 of this report.

Overall, the required contributions for the State plans have increased by \$81.7 million between fiscal year 2006-2007 and fiscal year 2007-2008. This increase represents 0.576% of the projected 2007-2008 State payroll. The reasons for the changes in employer contributions for the State between fiscal year 2006-2007 and fiscal year 2007-2008 are as follows:

### State Plans

<b><u>Reason for Change</u></b>	<b><u>Change in Required Contribution (millions)</u></b>
Normal progression in payroll (current year's rates applied to coming year's expected payroll)	\$86.6
First installment of the 20 year amortization of benefit improvements resulting from SB 65 during the 2001-2002 legislative session applicable to State Police Officers & Firefighters Bargaining Units 6 & 8	44.2
Decrease in Normal Cost due to changes in the average Entry Age	(28.3)
First installment of the 30 year amortization of the following actuarial gains and losses:	
<ul style="list-style-type: none"> <li>■ Greater than expected number of retirements in fiscal year 2005-2006</li> <li>■ Greater than expected investment return in fiscal year 2005-2006 and previously unrecognized investment gains</li> <li>■ Greater than expected contributions received in fiscal year 2005-2006 (higher than expected payroll)</li> <li>■ Other gains and losses</li> </ul>	<p>36.1</p> <p>(22.3)</p> <p>(16.0)</p> <p>(18.6)</p>
Total Change in required contributions	\$81.7

Overall, the required contributions for the Schools pool have increased by \$78.0 million between fiscal year 2006-2007 and fiscal year 2007-2008. This increase represents 0.789% of the projected 2007-2008 Schools pool's payroll. The reasons for the changes in employer contributions for the Schools pool between fiscal year 2006-2007 and fiscal year 2007-2008 are as follows:

### Schools Pool

<b><u>Reason for Change</u></b>	<b><u>Change in Required Contribution (millions)</u></b>
Normal progression in payroll (current year's rates applied to coming year's expected payroll)	\$27.3
Increase in Normal Cost due to changes in the average Entry Age	28.8
First installment of the 30 year amortization of the following	

actuarial gains and losses:	
■ Greater than expected salary increases in fiscal year 2005-2006	30.3
■ Greater than expected investment return in fiscal year 2005-2006 and previously unrecognized investment gains	(11.1)
■ Greater than expected number of retirements in fiscal year 2005-2006	9.9
■ Greater than expected contributions received in fiscal year 2005-2006 (higher than expected payroll)	(2.2)
■ Other gains and losses	(5.0)
Total Change in required contributions	\$78.0

## Recent Pattern of Retirements

There continues to be unexpectedly higher numbers of retirement in fiscal year 2005-2006. While the number of retirements continues to be at a higher level than anticipated by the actuarial assumptions, the number of State retirements between fiscal year 2004-2005 and fiscal year 2005-2006 has decreased by about 10%. In fiscal year 2005-2006, the number of State retirements was 26% greater than expected by the actuarial assumptions.

Even though the number of members retiring is expected to increase as the baby boomers start retiring, the recent pattern of service retirements has been increasingly volatile. We do not have an answer as to why the pattern of retirement has varied so widely but continuous changes to the benefits available to State members certainly plays a role. Since 2000, the following changes have occurred:

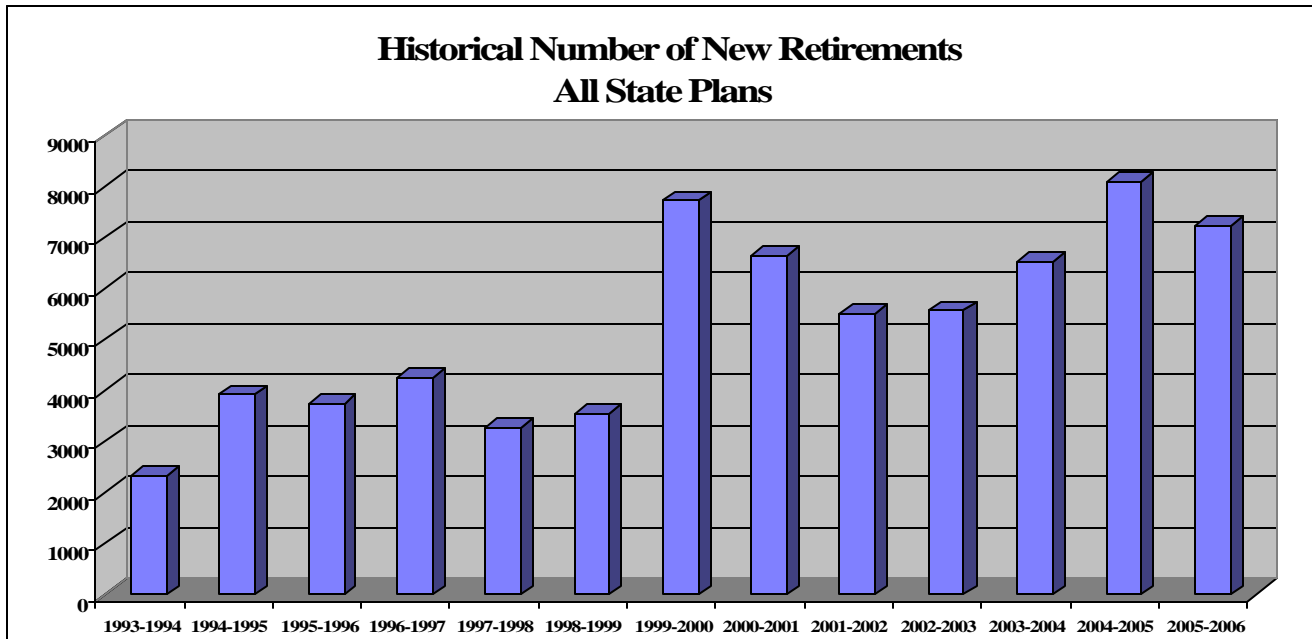
- The passage of SB 400
- Additional improvements to the benefit formula for POFF members
- Temporary increases in retirement benefits for patrol members
- Reclassification of members from the miscellaneous category to the safety category
- The introduction of the alternate retirement program where State Miscellaneous and Industrial members have to wait 2 years before accruing State service
- The introduction of Additional Retirement Service Credit (ARSC) which provides the ability for members to purchase up to 5 years of service.

All these changes, coupled with political and economic changes affect people's behavior and make it hard to estimate future behaviors.

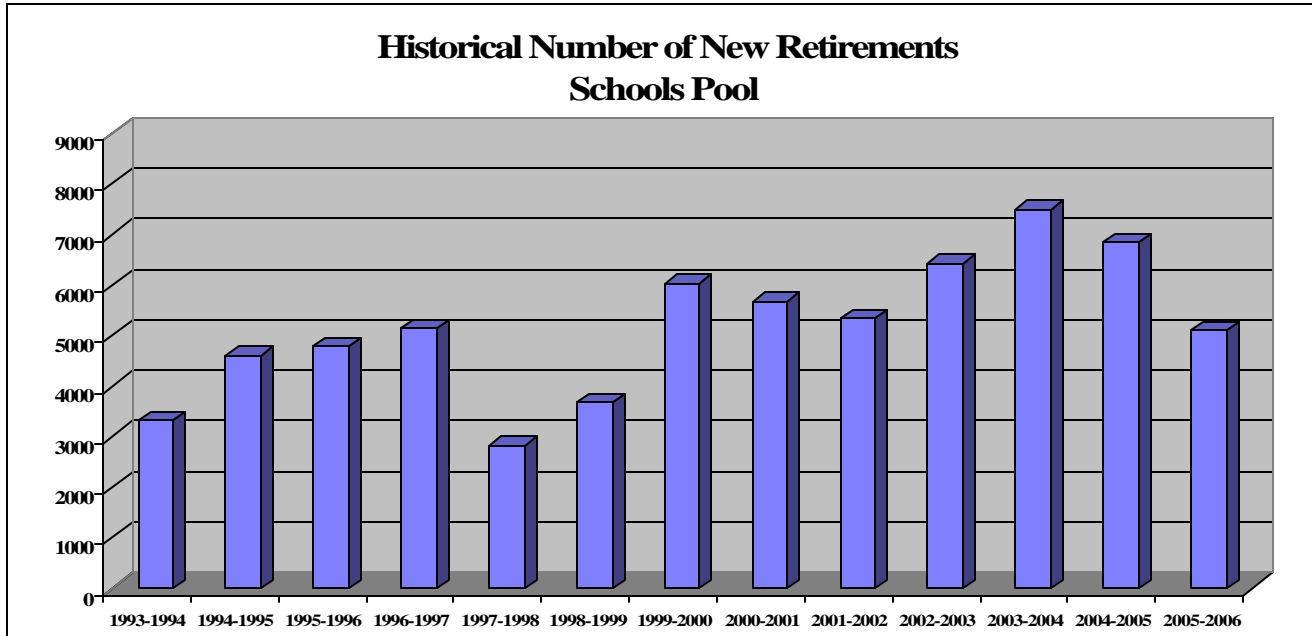
As can be seen in the chart below for the State plans, the years before the passage of SB 400 saw smaller numbers of retirement. In 2000 with the passage of SB 400, the number of retirements increased. This was expected and when SB 400 costs were determined they were based on this increased number of retirements. In the following three years, the number of retirements decreased. CalPERS actuaries conducted an experience study which was based on the three years of experience that followed the implementation of SB 400. The study showed that the number of retirements after SB 400 was lower than anticipated in the SB 400 cost analysis which led the actuarial office to lower the assumption about the anticipated number of retirements. Since the completion of that study we are seeing numbers of retirements higher than expected by the actuarial assumptions. We don't



believe that this sudden increase is due to SB 400 since it has occurred five years after the enactment of SB 400.



The chart below shows the historical number of new retirements for the Schools pool. As can be seen the number of retirements has also increased over the last few years.



While one may speculate about several factors which may account for this higher level of retirements, it is too soon to determine if this trend will continue in the future. Also, as noted above, 2005-2006 saw a decline in the number of retirements compared to 2004-2005. It is still too soon to determine whether this an indication that retirement numbers are returning to a level predicted by our actuarial assumptions.

The Actuarial Office intends to start working on an experience study later in 2007. In that study we will be looking at demographic experience and deciding whether or not changes to existing actuarial assumptions are necessary and appropriate. That study will include the period covering this recent pattern in retirements. The main concern with reacting to sudden changes in behaviors and modifying assumptions is the fact that one would be changing actuarial assumptions and impacting employer rates each time a sudden change in behavior occurs, even if that change is just temporary. We might need to wait until there is evidence that such a trend will continue in the long term before making significant changes to the actuarial assumptions.

## Funded Status of the Plans

The table below summarizes the funded status of the State plans and the Schools pool as of June 30, 2006 on a market value basis. We are monitoring the funded status of the State plans and the Schools pool using the market value of assets to ensure that the new rate stabilization methods do not impair the security of benefits. The actuarial value of assets is used for rate setting only and is not a true measure of the plan's ability to pay benefits. Refer to pages 51 and 52 for the development of market and actuarial values of assets.

### Funded Status as of June 30, 2006 on a Market Value of Assets Basis

Plan	Entry Age Normal Accrued Liability	Market Value of Assets	Funded Status
State Miscellaneous	\$ 61,298,781,693	\$ 55,050,669,310	89.8%
State Industrial	1,870,225,645	1,776,295,321	95.0%
State Safety	3,906,962,294	3,486,188,237	89.2%
State Peace Officers and Firefighters	19,737,050,901	16,972,811,559	86.0%
California Highway Patrol	<u>5,743,982,138</u>	<u>4,681,573,711</u>	<u>81.5%</u>
Total for the State	\$ 92,557,002,671	\$ 81,967,538,138	88.6%
Schools	41,408,653,061	40,852,346,837	98.7%

The table below shows the funded status of the State plans and the Schools pool for the last four years. As can be seen, the funded status on a market value basis has continued to improve over this period.

Historical Funded Status (On a Market Value of Assets Basis)				
	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006
State Miscellaneous	76.3%	83.1%	86.2%	89.8%
State Industrial	82.1%	88.3%	90.4%	95.0%
State Safety	73.5%	81.3%	86.4%	89.2%
State Police Officers & Firefighters	77.6%	83.0%	84.4%	86.0%
California Highway Patrol	73.1%	78.7%	79.4%	81.5%
<b>Total for the State</b>	<b>76.4%</b>	<b>82.9%</b>	<b>85.5%</b>	<b>88.6%</b>
Schools	83.4%	91.4%	96.2%	98.7%

## Changes Since the Prior Valuation

### ACTUARIAL ASSUMPTIONS

There were no changes in the actuarial assumptions. Appendix A contains a listing of assumptions.

### METHODS

There were no changes in methods since the prior valuation.

### PLAN PROVISIONS

This valuation has been prepared based on the benefit provisions in effect on June 30, 2006. There was one change in the plan provisions from the prior valuation described below:

- SB 65 (2001-2002 Legislative Session) – Provides a 3% at age 50 benefit formula for Peace Officer/Firefighter members employed in Bargaining Unit 6, Bargaining Unit 8 and related positions on or after January 1, 2006.

## Subsequent Events

### BENEFIT CHANGES

The standard actuarial practice at CalPERS is to recognize benefit changes in the first actuarial valuation after the effective date of those benefit changes. Accordingly, the changes implemented by the following legislation will not be reflected until the first annual valuation after the effective date of the legislation.

- AB 2936 (2005-2006 Legislative Session) – Removes the increase in final compensation used for calculating retirement benefits provided by SB 439 (2003-2004 Legislative Session) for California Highway Patrol members employed in Bargaining Unit 5. The increase in final compensation will be reduced according to the following schedule:
  - 8% for members who retire or die on or after July 1, 2004, and prior to July 1, 2007
  - 6% for members who retire or die on or after July 1, 2007, and prior to July 1, 2008
  - 4% for members who retire or die on or after July 1, 2008, and prior to July 1, 2009
  - 2% for members who retire or die on or after July 1, 2009, and prior to July 1, 2010
  - No increase for members who retire or die on or after July 1, 2010
- AB 2936 (2005-2006 Legislative Session) – Provides an industrial disability benefit for California Highway Patrol members employed in Bargaining Unit 5 who, as a result of a single event, incur serious bodily injury. The benefit provided is equal to the greater of the

current industrial disability benefit, or, three percent of final compensation multiplied by the number of years of service credited to the member, plus an annuity purchased with the accumulated additional contributions, if any.

## Summary of Liabilities and Rates

- COMPARISON OF CURRENT AND PRIOR YEAR
- DEVELOPMENT OF ACCRUED AND UNFUNDED LIABILITIES
- DEVELOPMENT OF EMPLOYER CONTRIBUTION RATES
- SCHEDULE OF AMORTIZATION BASES FOR THE RETIREMENT PROGRAM
- GAIN/LOSS ANALYSIS
- DEVELOPMENT OF GROUP TERM LIFE INSURANCE CONTRIBUTIONS
- RECONCILIATION OF EMPLOYER CONTRIBUTION RATES
- RECONCILIATION OF EMPLOYER CONTRIBUTIONS
- EMPLOYER CONTRIBUTION RATE HISTORY
- HISTORY OF FUNDED STATUS AND FUNDING PROGRESS

## Comparison of Current and Prior Year

Shown below are the key valuation results for the current valuation compared to the corresponding results from the prior valuation.

### STATE MISCELLANEOUS

#### Participant Information

	June 30, 2005	June 30, 2006
Members Included in the Valuation <sup>1</sup>		
Active Members Tier 1	149,092	145,538
Active Members Tier 2	11,184	10,180
Subtotal Active Members	160,276	155,718
Transfers from Tier 1	20,384	21,730
Transfers from Tier 2	13,931	13,379
Subtotal Transfers	34,315	35,109
Vested Terminations Tier 1	34,839	36,499
Vested Terminations Tier 2	1,596	2,022
Subtotal Vested Terminations <sup>2</sup>	36,435	38,521
Receiving Payments Tier 1	134,316	137,373
Receiving Payments Tier 2	3,858	3,968
Subtotal Receiving Payments	138,174	141,341
Subtotal Tier 1	338,631	341,140
Subtotal Tier 2	30,569	29,549
Grand Total	369,200	370,689
Average Entry Age of Active Members Tier 1	34.1	34.1
Average Entry Age of Active Members Tier 2	32.8	32.8
Average Age of Active Members Tier 1	47.0	47.5
Average Age of Active Members Tier 2	45.5	46.4
Average Pay Tier 1	\$ 52,609	\$ 54,501
Average Pay Tier 2	44,891	46,128
Average Pay Total	\$ 52,070	\$ 53,953
Covered Payroll Prior Fiscal Year		
Tier 1	\$ 7,843,564,921	\$ 7,931,914,461
Tier 2	502,061,169	469,584,423
Total	\$ 8,345,626,090	\$ 8,401,498,884
Projected Payroll for Contribution Rate		
Tier 1	\$ 8,404,836,702	\$ 8,496,230,702
Tier 2	492,070,152	460,239,693
Total	\$ 8,896,906,854	\$ 8,956,470,395

- Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.
- Includes non-vested terminated participants with employee contributions remaining in the plan.

## STATE MISCELLANEOUS (CONTINUED)

**Funded Status of the Retirement Program**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
Present Value of Benefits	\$ 68,877,343,621	\$ 71,711,336,352
Accrued Liability	\$ 58,266,633,028	\$ 61,298,781,693
Market Value of Assets	\$ 50,230,533,293	\$ 55,050,669,310
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 8,036,099,735	\$ 6,248,112,383
Funded Status	86.2%	89.8%

**Employer Contribution**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
Tier 1 Contribution Required in Dollars		
Employer Normal Costs	\$ 848,300,168	\$ 842,316,312
Amortization of Unfunded Liability <sup>3</sup>	573,146,083	570,897,673
Group Term Life Benefits	7,150,089	-
Total	<u>\$ 1,428,596,340</u>	<u>\$ 1,413,213,985</u>
Tier 1 Contribution Required (Percent of Payroll)		
Employer Normal Costs	10.093%	9.914%
Amortization of Unfunded Liability <sup>3</sup>	6.819%	6.719%
Group Term Life Benefits	<u>0.085%</u>	<u>0.000%</u>
Total	16.997%	16.633%

Tier 2 Contribution Required in Dollars		
Employer Normal Costs	\$ 48,587,007	\$ 45,315,200
Amortization of Unfunded Liability <sup>3</sup>	33,555,450	30,925,451
Group Term Life Benefits	418,610	-
Total	<u>\$ 82,561,067</u>	<u>\$ 76,240,651</u>
Tier 2 Contribution Required (Percent of Payroll)		
Employer Normal Costs	9.874%	9.846%
Amortization of Unfunded Liability <sup>3</sup>	6.819%	6.719%
Group Term Life Benefits	<u>0.085%</u>	<u>0.000%</u>
Total	16.778%	16.565%

3 For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## STATE INDUSTRIAL

**Participant Information**

	June 30, 2005	June 30, 2006
Members Included in the Valuation <sup>1</sup>		
Active Members	8,482	8,220
Transfers from Industrial	7,122	7,347
Vested Terminations <sup>2</sup>	2,441	2,528
Receiving Payments	6,673	7,196
Total	24,718	25,291
Average Entry Age of Active Members	36.3	36.5
Average Age of Active Members	45.5	46.0
Average Pay	\$ 41,969	\$ 43,487
Covered Payroll Prior Fiscal Year	\$ 355,983,225	\$ 357,463,400
Projected Payroll for Contribution Rate	\$ 379,498,142	\$ 381,076,092

1 Counts of members included in the valuation are counts of the records processed by the valuation.

Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

2 Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	June 30, 2005	June 30, 2006
Present Value of Benefits	\$ 2,366,273,959	\$ 2,469,160,177
Accrued Liability	\$ 1,753,847,917	\$ 1,870,225,645
Market Value of Assets	\$ 1,586,127,907	\$ 1,776,295,321
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 167,720,010	\$ 93,930,324
Funded Status	90.4%	95.0%

**Employer Contribution**

	June 30, 2005	June 30, 2006
Contribution Required in Dollars		
Employer Normal Costs	\$ 52,537,723	\$ 52,096,912
Amortization of Unfunded Liability <sup>3</sup>	15,055,967	13,903,497
Group Term Life Benefits	190,284	99,080
Total	\$ 67,783,974	\$ 66,099,489
Contribution Required (Percent of Payroll)		
Employer Normal Costs	13.844%	13.671%
Amortization of Unfunded Liability <sup>3</sup>	3.967%	3.648%
Group Term Life Benefits	0.050%	0.026%
Total	17.861%	17.345%

3 For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.



## STATE SAFETY

**Participant Information**

	June 30, 2005	June 30, 2006
Members Included in the Valuation <sup>1</sup>		
Active Members	19,021	20,149
Transfers From State Safety	3,499	3,964
Vested Terminations <sup>2</sup>	2,821	3,067
Receiving Payments	12,584	13,481
Total	37,925	40,661
Average Entry Age of Active Members	41.4	41.1
Average Age of Active Members	47.9	47.7
Average Pay	\$ 54,590	\$ 57,063
Covered Payroll Prior Fiscal Year	\$ 1,038,361,055	\$ 1,149,766,439
Projected Payroll for Contribution Rate	\$ 1,106,951,293	\$ 1,225,715,698

- 1 Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.
- 2 Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	June 30, 2005	June 30, 2006
Present Value of Benefits	\$ 5,251,863,170	\$ 5,853,366,217
Accrued Liability	\$ 3,472,578,825	\$ 3,906,962,294
Market Value of Assets	\$ 2,999,909,379	\$ 3,486,188,237
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 472,669,446	\$ 420,774,057
Funded Status	86.4%	89.2%

**Employer Contribution**

	June 30, 2005	June 30, 2006
Contribution Required in Dollars		
Employer Normal Costs	\$ 176,038,464	\$ 190,108,505
Amortization of Unfunded Liability <sup>3</sup>	37,512,992	40,754,905
Group Term Life Benefits	22,503	-
Total	\$ 213,573,959	\$ 230,863,410
Contribution Required (Percent of Payroll)		
Employer Normal Costs	15.903%	15.510%
Amortization of Unfunded Liability <sup>3</sup>	3.389%	3.325%
Group Term Life Benefits	0.002%	0.000%
Total	19.294%	18.835%

- 3 For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## STATE PEACE OFFICERS AND FIREFIGHTERS

**Participant Information**

	June 30, 2005	June 30, 2006
Members Included in the Valuation <sup>1</sup>		
Active Members	41,738	42,477
Transfers from State POFF	9,231	8,884
Vested Terminations <sup>2</sup>	5,407	5,649
Receiving Payments	<u>16,080</u>	<u>17,803</u>
Total	72,456	74,813
Average Entry Age of Active Members	30.5	30.3
Average Age of Active Members	41.6	41.6
Average Pay	\$ 64,284	\$ 67,525
Covered Payroll Prior Fiscal Year	\$ 2,683,096,123	\$ 2,868,260,921
Projected Payroll for Contribution Rate	\$ 2,860,331,391	\$ 3,057,727,481

1 Counts of members included in the valuation are counts of the records processed by the valuation.

Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

2 Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	June 30, 2005	June 30, 2006
Present Value of Benefits	\$23,835,065,215	\$26,396,328,821
Accrued Liability	\$17,753,237,978	\$19,737,050,901
Market Value of Assets	\$14,984,693,580	\$16,972,811,559
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 2,768,544,398	\$ 2,764,239,342
Funded Status	84.4%	86.0%

**Employer Contribution**

	June 30, 2005	June 30, 2006
Contribution Required in Dollars		
Employer Normal Costs	\$ 497,383,026	\$ 540,942,569
Amortization of Unfunded Liability <sup>3</sup>	203,530,696	240,372,126
Group Term Life Benefits	-	-
Total	<u>\$ 700,913,721</u>	<u>\$ 781,314,695</u>
Contribution Required (Percent of Payroll)		
Employer Normal Costs	17.389%	17.691%
Amortization of Unfunded Liability <sup>3</sup>	7.116%	7.861%
Group Term Life Benefits	<u>0.000%</u>	<u>0.000%</u>
Total	24.505%	25.552%

3 For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## CALIFORNIA HIGHWAY PATROL

**Participant Information**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
Members Included in the Valuation <sup>1</sup>		
Active Members	6,965	6,824
Transfers from CHP	293	310
Vested Terminations <sup>2</sup>	317	320
Receiving Payments	6,685	6,986
Total	14,260	14,440
Average Entry Age of Active Members	26.2	26.3
Average Age of Active Members	39.6	39.6
Average Pay	\$ 73,553	\$ 76,470
Covered Payroll Prior Fiscal Year	\$ 512,295,247	\$ 521,831,866
Projected Payroll for Contribution Rate	\$ 546,135,550	\$ 556,302,122

1 Counts of members included in the valuation are counts of the records processed by the valuation.

Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

2 Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
Present Value of Benefits	\$ 6,598,724,070	\$ 7,017,124,633
Accrued Liability	\$ 5,348,615,490	\$ 5,743,982,138
Market Value of Assets	\$ 4,248,846,970	\$ 4,681,573,711
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 1,099,768,520	\$ 1,062,408,427
Funded Status	79.4%	81.5%

**Employer Contribution**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
Contribution Required in Dollars		
Employer Normal Costs	\$ 90,942,492	\$ 92,390,656
Amortization of Unfunded Liability <sup>3</sup>	80,382,666	86,266,751
Group Term Life Benefits	507,906	539,613
Total	\$ 171,833,064	\$ 179,197,020
Contribution Required (Percent of Payroll)		
Employer Normal Costs	16.652%	16.608%
Amortization of Unfunded Liability <sup>3</sup>	14.718%	15.507%
Group Term Life Benefits	0.093%	0.097%
Total	31.463%	32.212%

3 For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## SCHOOLS

**Participant Information**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
Members Included in the Valuation <sup>1</sup>		
Active Members	274,190	279,605
Transfers from Schools	21,632	23,976
Vested Terminations <sup>2</sup>	126,877	137,261
Receiving Payments	<u>153,866</u>	<u>159,826</u>
Total	576,565	600,668
Average Entry Age of Active Members	36.6	36.6
Average Age of Active Members	46.1	46.1
Average Pay	\$ 31,552	\$ 33,149
Covered Payroll Prior Fiscal Year	\$ 8,651,308,773	\$ 9,268,637,685
Projected Payroll for Contribution Rate	\$ 9,222,781,788	\$ 9,880,889,133

1 Counts of members included in the valuation are counts of the records processed by the valuation.

Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

2 Includes non-vested terminated participants with employee contributions remaining in the plan.

**Funded Status of the Retirement Program**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
Present Value of Benefits	\$48,863,651,399	\$52,608,993,794
Accrued Liability	\$38,367,518,445	\$41,408,653,061
Market Value of Assets	\$36,898,252,750	\$40,852,346,837
Unfunded Liability/(Surplus) on a Market Value of Assets Basis	\$ 1,469,265,695	\$ 556,306,224
Funded Status	96.2%	98.7%

**Employer Contribution**

	<b>June 30, 2005</b>	<b>June 30, 2006</b>
Contribution Required in Dollars		
Employer Normal Costs	\$ 682,301,397	\$ 733,260,783
Amortization of Unfunded Liability <sup>3</sup>	<u>159,202,885</u>	<u>186,267,755</u>
Total	\$ 841,504,282	\$ 919,528,538
Contribution Required (Percent of Payroll)		
Employer Normal Costs	7.398%	7.421%
Amortization of Unfunded Liability <sup>3</sup>	<u>1.726%</u>	<u>1.885%</u>
Total	9.124%	9.306%

3 For rate setting purposes, the unfunded liability is calculated based on the smoothed actuarial value of assets.

## Development of Accrued and Unfunded Liabilities

The following table shows the development of the accrued liabilities and the unfunded liabilities based on the market value of assets and represent the true measure of the plan's ability to pay benefits.

	State Miscellaneous	State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
1. Present Value of Benefits						
a. Actives and Inactives	\$ 39,638,668,427	\$ 1,638,175,513	\$ 3,975,804,527	\$ 17,386,369,826	\$ 3,668,677,567	\$ 34,629,814,665
b. Retired	32,072,667,925	830,984,664	1,877,561,690	9,009,958,995	3,348,447,066	17,979,179,129
c. Total	\$ 71,711,336,352	\$ 2,469,160,177	\$ 5,853,366,217	\$ 26,396,328,821	\$ 7,017,124,633	\$ 52,608,993,794
2. Present Value of Future Employee Contributions	\$ 3,149,591,444	\$ 136,664,028	\$ 538,384,085	\$ 1,925,368,823	\$ 376,554,774	\$ 5,585,267,493
3. Present Value of Future Employer Normal Costs	\$ 7,262,963,215	\$ 462,270,504	\$ 1,408,019,838	\$ 4,733,909,097	\$ 896,587,721	\$ 5,615,073,240
4. Accrued Liability [(1c) - (2) - (3)]	\$ 61,298,781,693	\$ 1,870,225,645	\$ 3,906,962,294	\$ 19,737,050,901	\$ 5,743,982,138	\$ 41,408,653,061
5. Market Value of Assets (MVA)	\$ 55,050,669,310	\$ 1,776,295,321	\$ 3,486,188,237	\$ 16,972,811,559	\$ 4,681,573,711	\$ 40,852,346,837
6. Unfunded Liability/(Surplus) MVA Basis [(4) - (5)]	\$ 6,248,112,383	\$ 93,930,324	\$ 420,774,057	\$ 2,764,239,342	\$ 1,062,408,427	\$ 556,306,224
7. Funded Status MVA Basis [(5)/(4)]	89.8%	95.0%	89.2%	86.0%	81.5%	98.7%

## Development of Employer Contribution Rates

The following table shows the development of the unfunded liabilities based on the smoothed actuarial value of assets. The unfunded liability on an actuarial value of assets basis is used only for purposes of setting the employer contribution and keeping the contribution rates as smooth as possible from year to year.

	State Miscellaneous	State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
Accrued Liability	\$ 61,298,781,693	\$ 1,870,225,645	\$ 3,906,962,294	\$ 19,737,050,901	\$ 5,743,982,138	\$ 41,408,653,061
Actuarial Value of Assets (AVA)	\$ 51,751,198,637	\$ 1,678,855,687	\$ 3,278,254,840	\$ 16,027,970,147	\$ 4,407,140,734	\$ 38,460,904,077
Unfunded Liability/(Surplus) AVA Basis	\$ 9,547,583,056	\$ 191,369,958	\$ 628,707,454	\$ 3,709,080,754	\$ 1,336,841,404	\$ 2,947,748,984

The following table shows the development of the employer contribution rates which includes the amortization of the unfunded liability calculated on an actuarial value of assets basis.

	State Miscellaneous		State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
	Tier 1	Tier 2					
Employer Contribution Amount							
Normal Cost	\$ 842,316,312	\$ 45,315,200	\$ 52,096,912	\$ 190,108,505	\$ 540,942,569	\$ 92,390,656	\$ 733,260,783
Payment on the Unfunded Liability	570,897,673	30,925,451	13,903,497	40,754,905	240,372,126	86,266,751	186,267,755
Payment for Term Life Benefits (Sec. 21600-21605)	-	-	99,080	-	-	539,613	N/A
Total Employer Contribution Amount	\$ 1,413,213,985	\$ 76,240,651	\$ 66,099,489	\$ 230,863,410	\$ 781,314,695	\$ 179,197,020	\$ 919,528,538
Projected Payroll	\$ 8,496,230,702	\$ 460,239,693	\$ 381,076,092	\$ 1,225,715,698	\$ 3,057,727,481	\$ 556,302,122	\$ 9,880,889,133
Employer Contribution (as a percent of payroll)							
Normal Cost	9.914%	9.846%	13.671%	15.510%	17.691%	16.608%	7.421%
Payment on the Unfunded Liability	6.719%	6.719%	3.648%	3.325%	7.861%	15.507%	1.885%
Payment for Term Life Benefits (Sec. 21600-21605)	0%	0%	0.026%	0%	0%	0.097%	N/A
Total Employer Contribution Rate	16.633%	16.565%	17.345%	18.835%	25.552%	32.212%	9.306%

## Schedule of Amortization Bases for the Retirement Program

The schedule below shows the development of the payment on the amortization bases used to determine the employer contribution rates. Each row of the schedule gives a brief description of a base (or portion of the Unfunded Actuarial Liability), the date the base was established, the balance of the base on the valuation date, and the number of years remaining in the amortization period. In addition, we show the expected payment for the year immediately following the valuation date, the balance on the date a year after the valuation date, and the scheduled payment for fiscal year 2007-2008. Please refer to Appendix A for an explanation of how amortization periods are determined.

### State Miscellaneous

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2006	Expected Payment in 2006-2007	Amount Remaining on 6/30/2007	Scheduled Payment for Fiscal Year 2007-2008
Reclass of BU 7 Members	6/30/2005	19	\$ (95,224,438)	\$ (7,192,412)	\$ (95,138,414)	\$ (7,426,166)
New Rate Stabilization Policies	6/30/2004	18	\$ (203,850,421)	\$ (15,911,837)	\$ (203,131,912)	\$ (16,428,972)
Actuarial Equivalent Reduction Benefits	6/30/2004	18	\$ 282,754,881	\$ 22,070,838	\$ 281,758,259	\$ 22,788,141
Benefit Change (SB 1801)	6/30/2003	17	\$ (2,691,130)	\$ (217,654)	\$ (2,673,762)	\$ (224,728)
Assumption Change	6/30/2003	17	\$ 921,977,839	\$ 74,568,038	\$ 916,027,486	\$ 76,991,499
(Gain)/Loss	6/30/2000	30	\$ 8,516,387,162	\$ 525,684,275	\$ 8,630,732,710	\$ 518,283,927
Payment (Gain)/Loss	6/30/2001	30	\$ 128,229,163	\$ 7,341,612	\$ 130,546,132	\$ 7,839,423
Total			\$ 9,547,583,056	\$ 606,342,860	\$ 9,658,120,499	\$ 601,823,124

### State Industrial

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2006	Expected Payment in 2006-2007	Amount Remaining on 6/30/2007	Scheduled Payment for Fiscal Year 2007-2008
New Rate Stabilization Policies	6/30/2004	18	\$ (6,998,105)	\$ (546,247)	\$ (6,973,439)	\$ (564,000)
Actuarial Equivalent Reduction Benefits	6/30/2004	18	\$ 12,711,123	\$ 992,185	\$ 12,666,321	\$ 1,024,431
(Gain)/Loss	6/30/2002	30	\$ 85,030,678	\$ 6,510,380	\$ 84,862,605	\$ 5,096,082
Payment (Gain)/Loss	6/30/2003	30	\$ 1,864,696	\$ 335,962	\$ 1,660,472	\$ 99,713
Assumption Change	6/30/2003	17	\$ 98,761,567	\$ 7,987,672	\$ 98,124,170	\$ 8,247,271
Total			\$ 191,369,958	\$ 15,279,952	\$ 190,340,129	\$ 13,903,497

## Schedule of Amortization Bases for the Retirement Program (Continued)

**State Safety**

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2006	Expected Payment in 2006-2007	Amount Remaining on 6/30/2007	Scheduled Payment for Fiscal Year 2007-2008
New Rate Stabilization Policies	6/30/2004	18	\$ (7,895,401)	\$ (616,287)	\$ (7,867,573)	\$ (636,316)
(Gain)/Loss	6/30/2001	30	\$ 517,854,630	\$ 28,329,716	\$ 528,581,354	\$ 31,741,826
Payment (Gain)/Loss	6/30/2002	30	\$ 8,021,482	\$ 7,866,108	\$ 477,915	\$ 28,699
Assumption Change	6/30/2003	17	\$ (3,581,100)	\$ (289,633)	\$ (3,557,988)	\$ (299,047)
Benefit Change (Arnett)	6/30/2002	16	\$ 114,307,843	\$ 9,607,498	\$ 113,193,859	\$ 9,919,742
Total			\$ 628,707,454	\$ 44,897,402	\$ 630,827,567	\$ 40,754,904

**State Peace Officers and Firefighters**

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2006	Expected Payment in 2006-2007	Amount Remaining on 6/30/2007	Scheduled Payment for Fiscal Year 2007-2008
Benefit Change (SB 65)	6/30/2006	20	\$ 252,136,719	\$ (21,322,652)	\$ 293,810,802	\$ 22,191,870
New Rate Stabilization Policies	6/30/2004	18	\$ (58,399,080)	\$ (4,558,424)	\$ (58,193,242)	\$ (4,706,573)
(Gain)/Loss	6/30/2002	30	\$ 3,120,062,431	\$ 175,952,329	\$ 3,179,224,006	\$ 190,915,506
Payment (Gain)/Loss	6/30/2003	30	\$ (10,607,384)	\$ 18,950,179	\$ (31,100,253)	\$ (1,867,601)
Benefit Change (SB 183)	6/30/2004	18	\$ 19,057,636	\$ 1,487,571	\$ 18,990,464	\$ 1,535,917
Assumption Change	6/30/2003	17	\$ 386,830,432	\$ 31,286,204	\$ 384,333,867	\$ 32,303,005
Total			\$ 3,709,080,754	\$ 201,795,207	\$ 3,787,065,644	\$ 240,372,124



## Schedule of Amortization Bases for the Retirement Program (Continued)

**California Highway Patrol**

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2006	Expected Payment in 2006-2007	Amount Remaining on 6/30/2007	Scheduled Payment for Fiscal Year 2007-2008
Benefit Change (SB 439)	6/30/2005	19	\$ 179,593,956	\$ 13,564,940	\$ 179,431,714	\$ 14,005,800
New Rate Stabilization Policies	6/30/2004	18	\$ (19,915,004)	\$ (1,554,494)	\$ (19,844,810)	\$ (1,605,015)
(Gain)/Loss	6/30/2001	30	\$ 1,102,678,271	\$ 62,232,460	\$ 1,123,536,865	\$ 67,469,486
Payment (Gain)/Loss	6/30/2002	30	\$ (4,251,137)	\$ (1,101,564)	\$ (3,437,147)	\$ (206,404)
Assumption Change	6/30/2003	17	\$ 63,536,719	\$ 5,138,744	\$ 63,126,659	\$ 5,305,754
Benefit Change (SB 1801)	6/30/2003	17	\$ 10,066,028	\$ 814,124	\$ 10,001,063	\$ 840,583
Benefit Change (Arnett)	6/30/2002	16	\$ 2,123,893	\$ 178,512	\$ 2,103,195	\$ 184,313
Benefit Change (AB 2621)	6/30/2001	15	\$ 3,008,677	\$ 263,665	\$ 2,968,158	\$ 272,235
Total			\$ 1,336,841,404	\$ 79,536,387	\$ 1,357,885,697	\$ 86,266,752

**Schools**

Reason for Base	Date Established	Remaining Amortization Period	Balance on 6/30/2006	Expected Payment in 2006-2007	Amount Remaining on 6/30/2007	Scheduled Payment for Fiscal Year 2007-2008
(Gain)/Loss	6/30/2005	30	\$ 313,740,189	\$ (1,670,482)	\$ 339,789,059	\$ 20,404,665
Payment (Gain)/Loss	6/30/2005	30	\$ 2,300,100	\$ 3,928,434	\$ (1,599,463)	\$ (96,049)
Fresh Start	6/30/2004	28	\$ 2,631,708,695	\$ 160,735,244	\$ 2,668,818,600	\$ 165,959,140
Total			\$ 2,947,748,984	\$ 162,993,196	\$ 3,007,008,196	\$ 186,267,756

## Gain and Loss Analysis

## STATE MISCELLANEOUS

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/05	\$ 9,558,396,702
2. Expected Payment on the Unfunded Liability during 2005-2006	495,179,255
3. Interest through 6/30/06 $[0.0775 \times (A1) - ((1 + 0.0775)^{1/2} - 1) \times (A2)]$	<u>721,945,575</u>
4. Expected Unfunded Liability as of 6/30/06 before all other changes $[(A1) - (A2) + (A3)]$	\$ 9,785,163,022
5. Change in Unfunded Liability as of 6/30/06 due to Senate Bill 65	N/A
6. Expected Unfunded Liability as of 6/30/06 after all other changes $[(A4) + (A5)]$	9,785,163,022
7. Actual Unfunded Liability as of 6/30/06	<u>9,547,583,056</u>
8. Total (Gain)/Loss for 2005-2006 $[(A7) - (A6)]$	\$ (237,579,966)

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2005-2006	\$ 1,731,382,946
2. Actual Contribution for 2005-2006	<u>1,893,183,400</u>
3. Contribution (Gain)/Loss for 2005-2006 $[(B1) - (B2)]$	\$ (161,800,454)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/05	\$ 48,427,327,577
2. Contributions Received during 2005-2006	1,893,183,400
3. Benefits and Refunds Paid during 2005-2006	(2,946,586,892)
4. Expected Interest for 2005-2006 $[0.0775 \times (C1) + ((1 + 0.0775)^{1/2} - 1) \times ((C2) + (C3))]$	3,713,060,139
5. Receivables for AER and Past Service Benefits	428,537,936
6. Expected Actuarial Value of Assets as of 6/30/06 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 51,515,522,160
7. Actual Actuarial Value of Assets as of 6/30/06	51,751,198,637
8. Asset (Gain)/Loss for 2005-2006 $[(C6) - (C7)]$	\$ (235,676,477)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2005-2006 (A8)	\$ (237,579,966)
2. Contribution (Gain)/Loss for 2005-2006 (B3)	(161,800,454)
3. Asset (Gain)/Loss for 2005-2006 (C8)	<u>(235,676,477)</u>
4. Liability (Gain)/Loss for 2005-2006 $[(D1) - (D2) - (D3)]$	\$ 159,896,965

**E. Development of the (Gain)/Loss Balance as of 6/30/06**

1. (Gain)/Loss Balance as of 6/30/05	\$ 8,560,580,638
2. Payment Made on the Balance during 2005-2006	452,838,433
3. Interest through 6/30/06 $[0.0775 \times (E1) - ((1 + 0.0775)^{1/2} - 1) \times (E2)]$	<u>646,224,924</u>
4. Scheduled (Gain)/Loss Balance as of 6/30/05 $[(E1) - (E2) + (E3)]$	\$ 8,753,967,129
5. (Gain)/Loss for 2005-2006 $[(A8) \text{ above}]$	(237,579,966)
6. Final (Gain)/Loss Balance as of 6/30/06 $[(E4) + (E5)]$	\$ 8,516,387,163

## Gain and Loss Analysis (Continued)

## STATE INDUSTRIAL

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/05	\$ 210,602,603
2. Expected Payment on the Unfunded Liability during 2005-2006	11,724,930
3. Interest through 6/30/06 $[0.0775 \times (A1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (A2)]$	<u>15,875,838</u>
4. Expected Unfunded Liability as of 6/30/06 before all other changes $[(A1) - (A2) + (A3)]$	\$ 214,753,511
5. Change in Unfunded Liability as of 6/30/06 due to Senate Bill 65	N/A
6. Expected Unfunded Liability as of 6/30/06 after all other changes $[(A4) + (A5)]$	\$ 214,753,511
7. Actual Unfunded Liability as of 6/30/06	<u>191,369,958</u>
8. Total (Gain)/Loss for 2005-2006 $[(A7) - (A6)]$	\$ (23,383,553)

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2005-2006	\$ 77,072,326
2. Actual Contribution for 2005-2006	80,569,330
3. Contribution (Gain)/Loss for 2005-2006 $[(B1) - (B2)]$	\$ (3,497,004)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/05	\$ 1,532,232,040
2. Contributions Received during 2005-2006	80,569,330
3. Benefits and Refunds Paid during 2005-2006	(74,110,736)
4. Expected Interest for 2005-2006 $[0.0775 \times (C1) + ((1 + 0.0775)^{\frac{1}{2}} - 1) \times ((C2) + (C3))]$	118,993,584
5. Receivables for AER and Past Service Benefits	14,211,495
6. Expected Actuarial Value of Assets as of 6/30/06 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 1,671,895,713
7. Actual Actuarial Value of Assets as of 6/30/06	<u>1,678,855,687</u>
8. Asset (Gain)/Loss for 2005-2006 $[(C6) - (C7)]$	\$ (6,959,974)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2005-2006 (A8)	\$ (23,383,553)
2. Contribution (Gain)/Loss for 2005-2006 (B3)	(3,497,004)
3. Asset (Gain)/Loss for 2005-2006 (C8)	(6,959,974)
4. Liability (Gain)/Loss for 2005-2006 $[(D1) - (D2) - (D3)]$	\$ (12,926,575)

**E. Development of the (Gain)/Loss Balance as of 6/30/06**

1. (Gain)/Loss Balance as of 6/30/05	\$ 104,165,095
2. Payment Made on the Balance during 2005-2006	3,683,583
3. Interest through 6/30/06 $[0.0775 \times (E1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (E2)]$	<u>7,932,719</u>
4. Scheduled (Gain)/Loss Balance as of 6/30/05 $[(E1) - (E2) + (E3)]$	\$ 108,414,231
5. (Gain)/Loss for 2005-2006 $[(A8) \text{ above}]$	(23,383,553)
6. Final (Gain)/Loss Balance as of 6/30/06 $[(E4) + (E5)]$	\$ 85,030,678

## Gain and Loss Analysis (Continued)

## STATE SAFETY

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/05	\$ 571,931,525
2. Expected Payment on the Unfunded Liability during 2005-2006	32,409,818
3. Interest through 6/30/06 $[0.0775 \times (A1) - ((1 + 0.0775)^{1/2} - 1) \times (A2)]$	<u>43,092,246</u>
4. Expected Unfunded Liability as of 6/30/06 before all other changes $[(A1) - (A2) + (A3)]$	\$ 582,613,953
5. Change in Unfunded Liability as of 6/30/06 due to Senate Bill 65	N/A
6. Expected Unfunded Liability as of 6/30/06 after all other changes $[(A4) + (A5)]$	\$ 582,613,953
7. Actual Unfunded Liability as of 6/30/06	<u>628,707,454</u>
8. Total (Gain)/Loss for 2005-2006 $[(A7) - (A6)]$	\$ 46,093,501

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2005-2006	\$ 265,123,430
2. Actual Contribution for 2005-2006	274,334,136
3. Contribution (Gain)/Loss for 2005-2006 $[(B1) - (B2)]$	\$ (9,210,706)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/05	\$ 2,894,683,755
2. Contributions Received during 2005-2006	274,334,136
3. Benefits and Refunds Paid during 2005-2006	(142,352,348)
4. Expected Interest for 2005-2006 $[0.0775 \times (C1) + ((1 + 0.0775)^{1/2} - 1) \times ((C2) + (C3))]$	229,356,859
5. Receivables for AER and Past Service Benefits	7,380,053
6. Expected Actuarial Value of Assets as of 6/30/06 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 3,263,402,455
7. Actual Actuarial Value of Assets as of 6/30/06	<u>3,278,254,840</u>
8. Asset (Gain)/Loss for 2005-2006 $[(C6) - (C7)]$	\$ (14,852,385)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2005-2006 (A8)	\$ 46,093,501
2. Contribution (Gain)/Loss for 2005-2006 (B3)	(9,210,706)
3. Asset (Gain)/Loss for 2005-2006 (C8)	(14,852,385)
4. Liability (Gain)/Loss for 2005-2006 $[(D1) - (D2) - (D3)]$	\$ 70,156,592

**E. Development of the (Gain)/Loss Balance as of 6/30/06**

1. (Gain)/Loss Balance as of 6/30/05	\$ 463,093,975
2. Payment Made on the Balance during 2005-2006	26,225,358
3. Interest through 6/30/06 $[0.0775 \times (E1) - ((1 + 0.0775)^{1/2} - 1) \times (E2)]$	<u>34,892,512</u>
4. Scheduled (Gain)/Loss Balance as of 6/30/05 $[(E1) - (E2) + (E3)]$	\$ 471,761,129
5. (Gain)/Loss for 2005-2006 $[(A8) \text{ above}]$	46,093,501
6. Final (Gain)/Loss Balance as of 6/30/06 $[(E4) + (E5)]$	\$ 517,854,630

## Gain and Loss Analysis (Continued)

## STATE PEACE OFFICERS AND FIREFIGHTERS

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/05	\$ 3,195,232,338
2. Expected Payment on the Unfunded Liability during 2005-2006	169,486,755
3. Interest through 6/30/06 $[0.0775 \times (A1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (A2)]$	<u>241,185,438</u>
4. Expected Unfunded Liability as of 6/30/06 before all other changes $[(A1) - (A2) + (A3)]$	\$ 3,266,931,021
5. Change in Unfunded Liability as of 6/30/06 due to Senate Bill 65	\$ 252,136,719
6. Expected Unfunded Liability as of 6/30/06 after all other changes $[(A4) + (A5)]$	\$ 3,519,067,740
7. Actual Unfunded Liability as of 6/30/06	<u>3,709,080,754</u>
8. Total (Gain)/Loss for 2005-2006 $[(A7) - (A6)]$	\$ 190,013,014

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2005-2006	\$ 844,661,801
2. Actual Contribution for 2005-2006	<u>910,290,487</u>
3. Contribution (Gain)/Loss for 2005-2006 $[(B1) - (B2)]$	\$ (65,628,686)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/05	\$ 14,527,019,364
2. Contributions Received during 2005-2006	910,290,487
3. Benefits and Refunds Paid during 2005-2006	(652,687,107)
4. Expected Interest for 2005-2006 $[0.0775 \times (C1) + ((1 + 0.0775)^{\frac{1}{2}} - 1) \times ((C2) + (C3))]$	1,135,639,878
5. Receivables for AER and Past Service Benefits	40,218,853
6. Expected Actuarial Value of Assets as of 6/30/06 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 15,960,481,475
7. Actual Actuarial Value of Assets as of 6/30/06	16,027,970,147
8. Asset (Gain)/Loss for 2005-2006 $[(C6) - (C7)]$	\$ (67,488,672)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2005-2006 (A8)	\$ 190,013,014
2. Contribution (Gain)/Loss for 2005-2006 (B3)	(65,628,686)
3. Asset (Gain)/Loss for 2005-2006 (C8)	<u>(67,488,672)</u>
4. Liability (Gain)/Loss for 2005-2006 $[(D1) - (D2) - (D3)]$	\$ 323,130,372

**E. Development of the (Gain)/Loss Balance as of 6/30/06**

1. (Gain)/Loss Balance as of 6/30/05	\$ 2,844,058,916
2. Payment Made on the Balance during 2005-2006	129,499,588
3. Interest through 6/30/06 $[0.0775 \times (E1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (E2)]$	<u>215,490,088</u>
4. Scheduled (Gain)/Loss Balance as of 6/30/05 $[(E1) - (E2) + (E3)]$	\$ 2,930,049,416
5. (Gain)/Loss for 2005-2006 $[(A8) \text{ above}]$	190,013,014
6. Final (Gain)/Loss Balance as of 6/30/06 $[(E4) + (E5)]$	\$ 3,120,062,430

## Gain and Loss Analysis (Continued)

## CALIFORNIA HIGHWAY PATROL

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/05	\$ 1,228,435,487
2. Expected Payment on the Unfunded Liability during 2005-2006	51,201,861
3. Interest through 6/30/06 $[0.0775 \times (A1) - ((1 + 0.0775)^{1/2} - 1) \times (A2)]$	<u>93,256,698</u>
4. Expected Unfunded Liability as of 6/30/06 before all other changes $[(A1) - (A2) + (A3)]$	\$ 1,270,490,324
5. Change in Unfunded Liability as of 6/30/06 due to Senate Bill 65	N/A
6. Expected Unfunded Liability as of 6/30/06 after all other changes $[(A4) + (A5)]$	\$ 1,270,490,324
7. Actual Unfunded Liability as of 6/30/06	<u>1,336,841,404</u>
8. Total (Gain)/Loss for 2005-2006 $[(A7) - (A6)]$	\$ 66,351,080

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2005-2006	\$ 176,406,947
2. Actual Contribution for 2005-2006	192,698,439
3. Contribution (Gain)/Loss for 2005-2006 $[(B1) - (B2)]$	\$ (16,291,492)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/05	\$ 4,112,207,057
2. Contributions Received during 2005-2006	192,698,439
3. Benefits and Refunds Paid during 2005-2006	(243,076,906)
4. Expected Interest for 2005-2006 $[0.0775 \times (C1) + ((1 + 0.0775)^{1/2} - 1) \times ((C2) + (C3))]$	316,780,306
5. Receivables for AER and Past Service Benefits	8,929,483
6. Expected Actuarial Value of Assets as of 6/30/06 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 4,387,538,379
7. Actual Actuarial Value of Assets as of 6/30/06	<u>4,407,140,734</u>
8. Asset (Gain)/Loss for 2005-2006 $[(C6) - (C7)]$	\$ (19,602,355)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2005-2006 (A8)	\$ 66,351,080
2. Contribution (Gain)/Loss for 2005-2006 (B3)	(16,291,492)
3. Asset (Gain)/Loss for 2005-2006 (C8)	(19,602,355)
4. Liability (Gain)/Loss for 2005-2006 $[(D1) - (D2) - (D3)]$	\$ 102,244,927

**E. Development of the (Gain)/Loss Balance as of 6/30/06**

1. (Gain)/Loss Balance as of 6/30/05	\$ 1,011,813,663
2. Payment Made on the Balance during 2005-2006	51,927,389
3. Interest through 6/30/06 $[0.0775 \times (E1) - ((1 + 0.0775)^{1/2} - 1) \times (E2)]$	<u>76,440,917</u>
4. Scheduled (Gain)/Loss Balance as of 6/30/05 $[(E1) - (E2) + (E3)]$	\$ 1,036,327,191
5. (Gain)/Loss for 2005-2006 $[(A8) \text{ above}]$	66,351,080
6. Final (Gain)/Loss Balance as of 6/30/06 $[(E4) + (E5)]$	\$ 1,102,678,271

## Gain and Loss Analysis (Continued)

## SCHOOLS

**A. Total (Gain)/Loss for the Year**

1. Unfunded Liability/(Surplus) as of 6/30/05	\$ 2,566,576,913
2. Expected Payment on the Unfunded Liability during 2005-2006	153,459,943
3. Interest through 6/30/06 $[0.0775 \times (A1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (A2)]$	<u>193,074,093</u>
4. Expected Unfunded Liability as of 6/30/06 before all other changes $[(A1) - (A2) + (A3)]$	\$ 2,606,191,063
5. Change in Unfunded Liability as of 6/30/06 due to Senate Bill 65	N/A
6. Expected Unfunded Liability as of 6/30/06 after all other changes $[(A4) + (A5)]$	\$ 2,606,191,063
7. Actual Unfunded Liability as of 6/30/06	<u>2,947,748,984</u>
8. Total (Gain)/Loss for 2005-2006 $[(A7) - (A6)]$	\$ 341,557,921

**B. Contribution (Gain)/Loss for the Year**

1. Expected Contribution for 2005-2006	\$ 1,446,529,106
2. Actual Contribution for 2005-2006	<u>1,481,401,039</u>
3. Contribution (Gain)/Loss for 2005-2006 $[(B1) - (B2)]$	\$ (34,871,933)

**C. Asset (Gain)/Loss for the Year**

1. Actuarial Value of Assets before receivables as of 6/30/05	\$ 35,781,770,087
2. Contributions Received during 2005-2006	1,481,401,039
3. Benefits and Refunds Paid during 2005-2006	(1,760,730,462)
4. Expected Interest for 2005-2006 $[0.0775 \times (C1) + ((1 + 0.0775)^{\frac{1}{2}} - 1) \times ((C2) + (C3))]$	2,762,465,129
5. Receivables for AER and Past Service Benefits	25,180,944
6. Expected Actuarial Value of Assets as of 6/30/06 $[(C1) + (C2) + (C3) + (C4) + (C5)]$	\$ 38,290,086,737
7. Actual Actuarial Value of Assets as of 6/30/06	38,460,904,077
8. Asset (Gain)/Loss for 2005-2006 $[(C6) - (C7)]$	\$ (170,817,340)

**D. Liability (Gain)/Loss for the Year**

1. Total (Gain)/Loss for 2005-2006 (A8)	\$ 341,557,921
2. Contribution (Gain)/Loss for 2005-2006 (B3)	(34,871,933)
3. Asset (Gain)/Loss for 2005-2006 (C8)	<u>(170,817,340)</u>
4. Liability (Gain)/Loss for 2005-2006 $[(D1) - (D2) - (D3)]$	\$ 547,247,194

**E. Development of the (Gain)/Loss Balance as of 6/30/06**

1. (Gain)/Loss Balance as of 6/30/05	\$ (25,816,920)
2. Payment Made on the Balance during 2005-2006	-
3. Interest through 6/30/06 $[0.0775 \times (E1) - ((1 + 0.0775)^{\frac{1}{2}} - 1) \times (E2)]$	<u>(2,000,811)</u>
4. Scheduled (Gain)/Loss Balance as of 6/30/05 $[(E1) - (E2) + (E3)]$	\$ (27,817,731)
5. (Gain)/Loss for 2005-2006 $[(A8) \text{ above}]$	341,557,921
6. Final (Gain)/Loss Balance as of 6/30/06 $[(E4) + (E5)]$	\$ 313,740,190

## Development of Group Term Life Insurance Contributions

	<b>State Miscellaneous</b>	<b>State Industrial</b>	<b>State Safety</b>	<b>State Peace Officers and Firefighters</b>	<b>California Highway Patrol</b>
1. GTLI Market Value of Assets as of June 30, 2005	\$ 5,107,829	\$ 185,085	\$ 1,377,172	\$ 2,414,964	\$ (83,677)
2. Contributions Received for GTLI During Fiscal Year 2005-2006	9,448,418	401,889	1,049,151	1,587,860	373,629
3. Benefits Paid for GTLI During Fiscal Year 2005-2006	(3,518,623)	(349,981)	(521,979)	(1,002,606)	(485,597)
4. Investment Return During Fiscal Year 2005-2006	1,290,797	55,001	240,581	406,131	28,503
5. GTLI Market Value of Assets as of June 30, 2006	\$ 12,328,421	\$ 291,994	\$ 2,144,925	\$ 3,406,349	\$ (167,142)
6. Plan's Actuarial Value of Assets As a Percentage of Market Value of Assets	93.959%	94.470%	94.023%	94.420%	94.127%
7. GTLI Actuarial Value of Assets as of June 30, 2006	\$ 11,583,661	\$ 275,847	\$ 2,016,723	\$ 3,216,275	\$ (157,326)
8. Expected GTLI Benefit Payments for Fiscal Year 2006-2007	\$ 5,871,410	\$ 247,386	\$ 1,053,626	\$ 1,695,156	\$ 241,394
9. Closed Group Projected Payroll for Fiscal Year 2006-2007	\$ 8,540,669,666	\$ 367,615,533	\$ 1,157,043,437	\$ 2,943,559,382	\$ 535,666,656
10. Required GTLI Contribution Rate [ (1.5 x (8) - 7, but not less than zero) / (9) ]	0.000%	0.026%	0.000%	0.000%	0.097%
11. Projected Payroll for Contributions	\$ 8,956,470,395	\$ 381,076,092	\$ 1,225,715,698	\$ 3,057,727,481	\$ 556,302,122
12. Required GTLI Contribution for Fiscal Year 2007-2008* [ (10) x (11) ]	\$ -	\$ 99,080	\$ -	\$ -	\$ 539,613



## Reconciliation of Employer Contribution Rates

**Change in Normal Cost Rate from 2006-2007 to 2007-2008 for the Retirement Program**

	<u>State Miscellaneous</u>		State	State	State Peace	California	Schools
	Tier 1	Tier 2	Industrial	Safety	Officers and Firefighters	Highway Patrol	
2006-2007 Normal Cost Rate	10.093%	9.874%	13.844%	15.903%	17.389%	16.652%	7.398%
Effect of Changes due to Benefit Changes (SB 65)	N/A	N/A	N/A	N/A	0.720%	N/A	N/A
Effect of (Gain)/Loss	-0.179%	-0.028%	-0.173%	-0.393%	-0.418%	-0.044%	0.023%
2007-2008 Normal Cost Rate	9.914%	9.846%	13.671%	15.510%	17.691%	16.608%	7.421%

**Change in Unfunded Liability Amortization Rate from 2006-2007 to 2007-2008 for the Retirement Program**

	<u>State Miscellaneous</u>		State	State	State Peace	California	Schools
	Tier 1	Tier 2	Industrial	Safety	Officers and Firefighters	Highway Patrol	
2006-2007 Rate to Amortize the Unfunded Liability	6.819%	6.819%	3.967%	3.389%	7.116%	14.718%	1.726%
Effect of Changes due to Benefit Changes (SB 65)	N/A	N/A	N/A	N/A	0.726%	N/A	N/A
Effect of (Gain)/Loss	-0.100%	-0.100%	-0.319%	-0.064%	0.019%	0.789%	0.159%
2007-2008 Rate to Amortize the Unfunded Liability	6.719%	6.719%	3.648%	3.325%	7.861%	15.507%	1.885%

## Reconciliation of Employer Contribution Rates (Continued)

## Change in Group Term Life Rate from 2006-2007 to 2007-2008

	State Miscellaneous		State	State	State Peace	California	Schools
	Tier 1	Tier 2	Industrial	Safety	Officers and Firefighters	Highway Patrol	
2006-2007 Group Term Life Rate	0.085%	0.085%	0.050%	0.002%	0.000%	0.093%	N/A
Effect of (Gain)/Loss	-0.085%	-0.085%	-0.024%	-0.002%	0.000%	0.004%	N/A
2007-2008 Group Term Life Rate	0.000%	0.000%	0.026%	0.000%	0.000%	0.097%	N/A

## Change in Total Rate from 2006-2007 to 2007-2008

	State Miscellaneous		State	State	State Peace	California	Schools
	Tier 1	Tier 2	Industrial	Safety	Officers and Firefighters	Highway Patrol	
2006-2007 Employer Rates	16.997%	16.778%	17.861%	19.294%	24.505%	31.463%	9.124%
Effect of Changes due to Benefit Changes (SB 65)	N/A	N/A	N/A	N/A	1.446%	N/A	N/A
Effect of (Gain)/Loss	-0.364%	-0.213%	-0.516%	-0.459%	-0.399%	0.749%	0.182%
2007-2008 Employer Rates	16.633%	16.565%	17.345%	18.835%	25.552%	32.212%	9.306%

## Reconciliation of Employer Contributions

**Change in Normal Cost Contribution from 2006-2007 to 2007-2008 for the Retirement Program**

	<u>State Miscellaneous</u>		<u>State</u>	<u>State</u>	<u>State Peace</u>	<u>California</u>	<u>Schools</u>
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Industrial</u>	<u>Safety</u>	<u>Officers and</u>	<u>Highway</u>	
2006-2007 Normal Cost Contribution	\$848,300,168	\$48,587,007	\$52,537,723	\$176,038,464	\$497,383,026	\$90,942,492	\$682,301,397
Effect of Expected Change in Payroll	27,569,755	1,579,078	1,707,476	5,721,250	16,164,948	2,955,631	22,174,795
Effect of Changes due to Benefit Changes (SB 65)	N/A	N/A	N/A	N/A	22,015,638	N/A	N/A
Effect of (Gain)/Loss	(33,553,611)	(4,850,885)	(2,148,287)	8,348,791	5,378,957	(1,507,467)	28,784,591
2007-2008 Normal Cost Contribution	\$842,316,312	\$45,315,200	\$52,096,912	\$190,108,505	\$540,942,569	\$92,390,656	\$733,260,783

**Change in Unfunded Liability Amortization Contribution from 2006-2007 to 2007-2008 for the Retirement Program**

	<u>State Miscellaneous</u>		<u>State</u>	<u>State</u>	<u>State Peace</u>	<u>California</u>	<u>Schools</u>
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Industrial</u>	<u>Safety</u>	<u>Officers and</u>	<u>Highway</u>	
2006-2007 Amortization of the Unfunded Liability	\$573,146,083	\$33,555,450	\$15,055,967	\$37,512,992	\$203,530,696	\$80,382,666	\$159,202,885
Effect of Expected Change in Payroll	18,626,589	1,090,514	489,277	1,219,224	6,615,088	2,612,357	5,174,094
Effect of Changes due to Benefit Changes (SB 65)	N/A	N/A	N/A	N/A	22,191,871	N/A	N/A
Effect of (Gain)/Loss	(20,874,999)	(3,720,513)	(1,641,747)	2,022,689	8,034,471	3,271,728	21,890,776
2007-2008 Amortization of the Unfunded Liability	\$570,897,673	\$30,925,451	\$13,903,497	\$40,754,905	\$240,372,126	\$86,266,751	\$186,267,755

## Reconciliation of Employer Contributions (Continued)

<b>Change in Group Term Life Contribution from 2006-2007 to 2007-2008</b>							
	<u>State Miscellaneous</u>		<u>State</u>	<u>State</u>	<u>State Peace</u>	<u>California</u>	<u>Schools</u>
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Industrial</u>	<u>Safety</u>	<u>Officers and</u>	<u>Highway</u>	
					<u>Firefighters</u>	<u>Patrol</u>	
2006-2007 Group Term Life Contribution	\$7,150,089	\$418,610	\$190,284	\$22,503	\$0	\$507,906	N/A
Effect of Expected Change in Payroll	232,378	13,605	6,184	731	0	16,507	N/A
Effect of (Gain)/Loss	<u>(7,382,467)</u>	<u>(432,215)</u>	<u>(97,388)</u>	<u>(23,234)</u>	<u>0</u>	<u>15,200</u>	<u>N/A</u>
2007-2008 Group Term Life Contribution	\$0	\$0	\$99,080	\$0	\$0	\$539,613	N/A

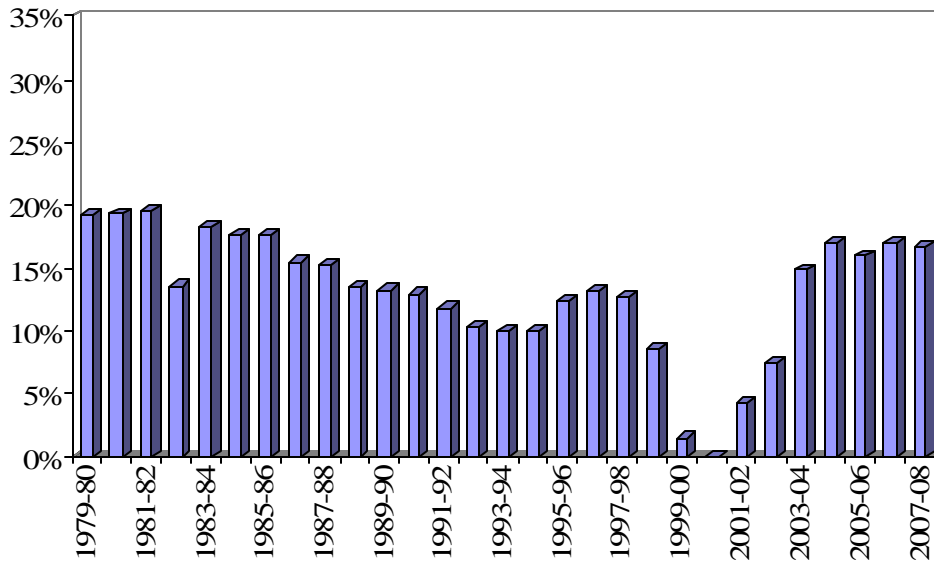
<b>Change in Total Contribution from 2006-2007 to 2007-2008</b>							
	<u>State Miscellaneous</u>		<u>State</u>	<u>State</u>	<u>State Peace</u>	<u>California</u>	<u>Schools</u>
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Industrial</u>	<u>Safety</u>	<u>Officers and</u>	<u>Highway</u>	
					<u>Firefighters</u>	<u>Patrol</u>	
2006-2007 Employer Contribution	\$1,428,596,340	\$82,561,067	\$67,783,974	\$213,573,959	\$700,913,722	\$171,833,064	\$841,504,282
Effect of Expected Change in Payroll	46,428,722	2,683,197	2,202,937	6,941,205	22,780,036	5,584,495	27,348,889
Effect of Changes due to Benefit Changes (SB 65)	N/A	N/A	N/A	N/A	44,207,509	N/A	N/A
Effect of (Gain)/Loss	<u>(61,811,077)</u>	<u>(9,003,613)</u>	<u>(3,887,422)</u>	<u>10,348,246</u>	<u>13,413,428</u>	<u>1,779,461</u>	<u>50,675,367</u>
2007-2008 Employer Contribution	\$1,413,213,985	\$76,240,651	\$66,099,489	\$230,863,410	\$781,314,695	\$179,197,020	\$919,528,538

## Employer Contribution Rate History

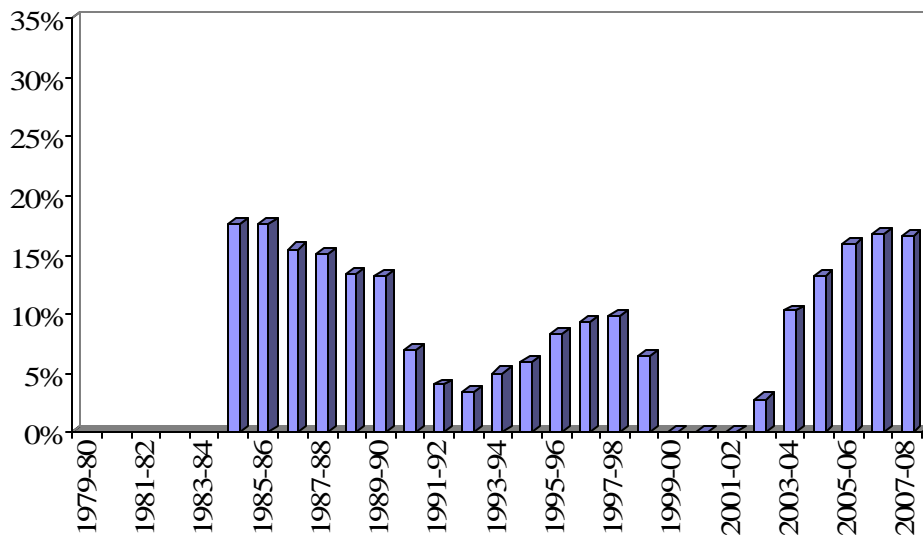
The table below provides a history of the contribution rates for the various State plans and the Schools plan. In cases where the contribution rate changed during the course of a fiscal year, the entry shown is the weighted average of the rates effective during the fiscal year.

<b>Fiscal Year</b>	<b>State Miscellaneous</b>		<b>State Industrial</b>	<b>State Safety</b>	<b>State Peace Officers and Firefighters</b>	<b>California Highway Patrol</b>	<b>Schools</b>
	<b>Tier 1</b>	<b>Tier 2</b>					
1979-80	19.188%		20.040%	20.106%		31.373%	12.515%
1980-81	19.247%		20.047%	20.145%		31.440%	13.119%
1981-82	19.563%		20.263%	20.409%		31.995%	13.020%
1982-83	13.559%		15.013%	16.381%		19.555%	12.045%
1983-84	18.262%		18.884%	20.615%		24.306%	12.378%
1984-85	17.604%	17.604%	19.976%	20.518%		25.292%	12.378%
1985-86	17.604%	17.604%	19.749%	20.518%	24.310%	24.868%	11.969%
1986-87	15.450%	15.450%	16.638%	22.522%	20.578%	22.150%	11.015%
1987-88	15.202%	15.038%	15.332%	19.229%	17.171%	20.859%	9.718%
1988-89	13.464%	13.413%	16.626%	17.296%	16.431%	18.453%	8.454%
1989-90	13.224%	13.218%	16.783%	17.424%	16.200%	18.318%	8.210%
1990-91	12.878%	6.975%	16.720%	17.916%	15.702%	18.090%	7.282%
1991-92	11.804%	3.986%	13.399%	17.376%	17.386%	21.721%	8.162%
1992-93	10.266%	3.391%	11.995%	15.698%	15.560%	17.074%	7.273%
1993-94	9.939%	5.005%	11.765%	15.485%	15.202%	16.940%	7.066%
1994-95	9.934%	5.947%	10.597%	13.927%	12.817%	15.552%	3.849%
1995-96	12.350%	8.326%	8.981%	14.228%	14.350%	14.778%	6.979%
1996-97	13.106%	9.345%	9.260%	14.656%	15.401%	15.851%	7.787%
1997-98	12.721%	9.822%	9.048%	13.754%	15.270%	15.515%	6.172%
1998-99	8.541%	6.437%	4.583%	9.440%	9.591%	13.541%	0.000%
1999-00	1.491%	0.000%	0.026%	7.487%	0.000%	13.345%	0.000%
2000-01	0.000%	0.000%	0.026%	6.808%	2.729%	13.711%	0.000%
2001-02	4.166%	0.036%	0.350%	12.923%	9.638%	16.897%	0.000%
2002-03	7.413%	2.813%	2.858%	17.055%	13.925%	23.076%	2.894%
2003-04	14.843%	10.265%	11.099%	21.930%	20.325%	32.653%	10.420%
2004-05	17.022%	13.216%	16.386%	20.773%	23.841%	33.434%	9.952%
2005-06	15.942%	15.890%	17.147%	19.026%	23.563%	26.396%	9.116%
2006-07	16.997%	16.778%	17.861%	19.294%	24.505%	31.463%	9.124%
2007-08	16.633%	16.565%	17.345%	18.835%	25.552%	32.212%	9.306%

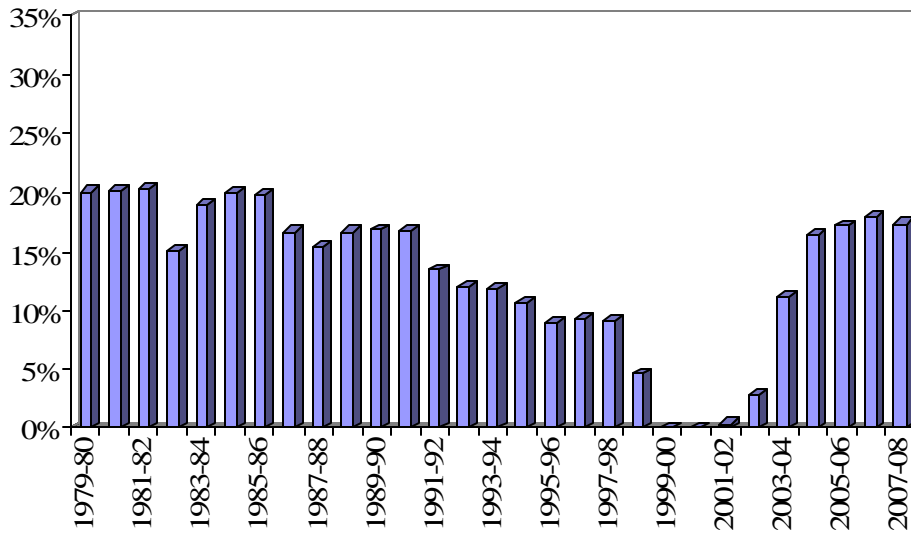
### State Miscellaneous Tier 1 Rates



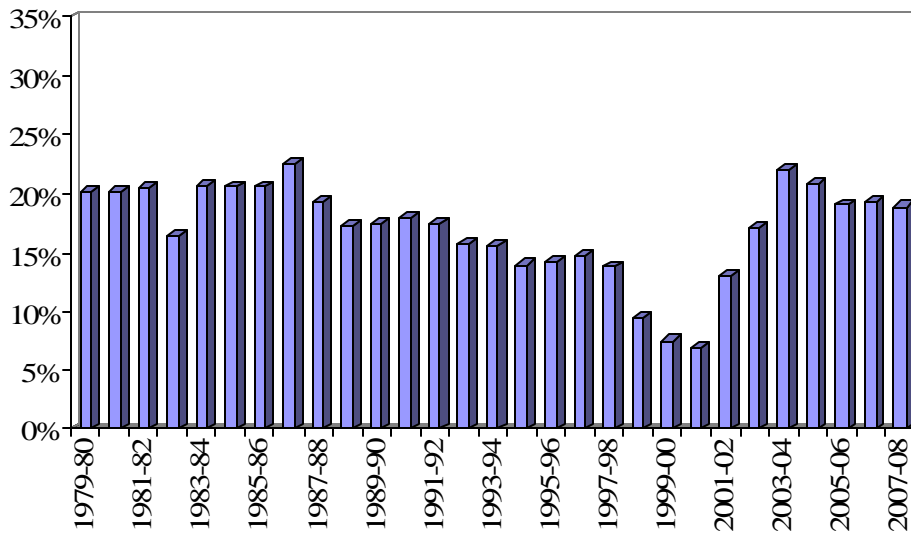
### State Miscellaneous Tier 2 Rates



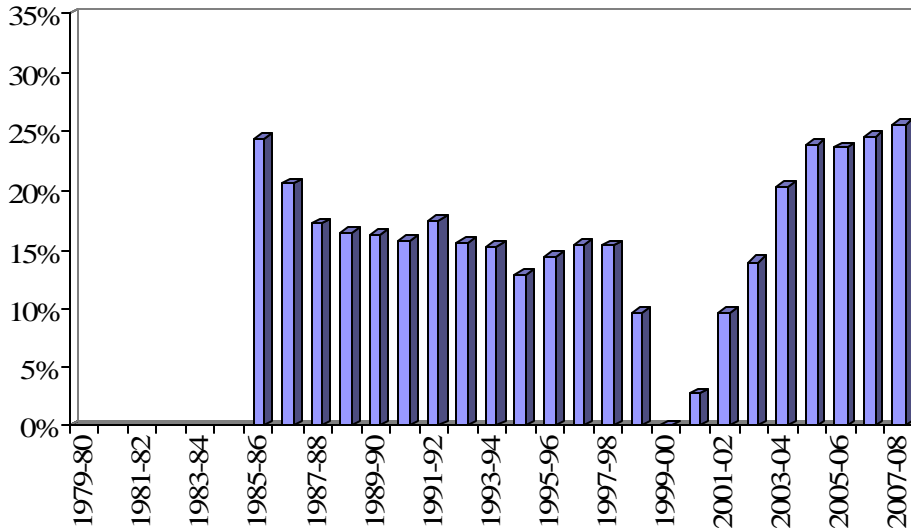
### State Industrial Rates



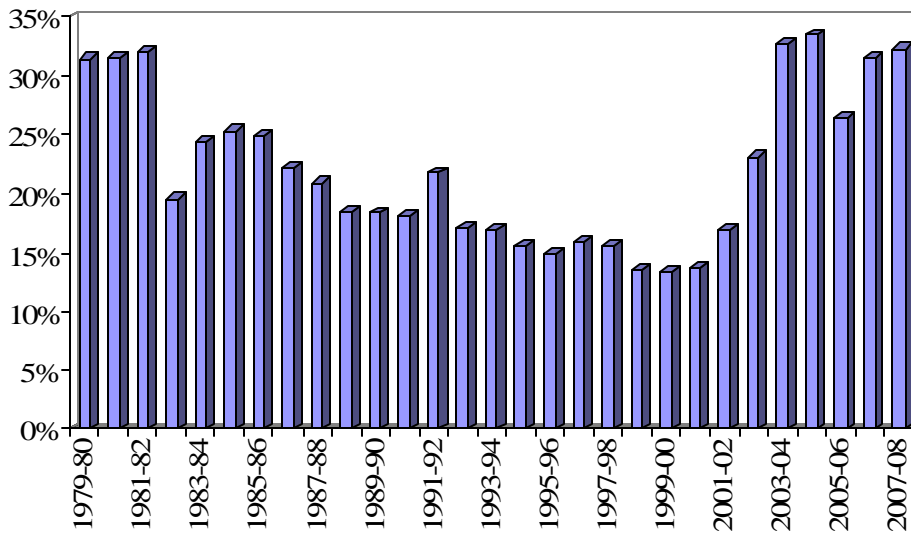
### State Safety Rates



### State Peace Officers and Firefighters Rates

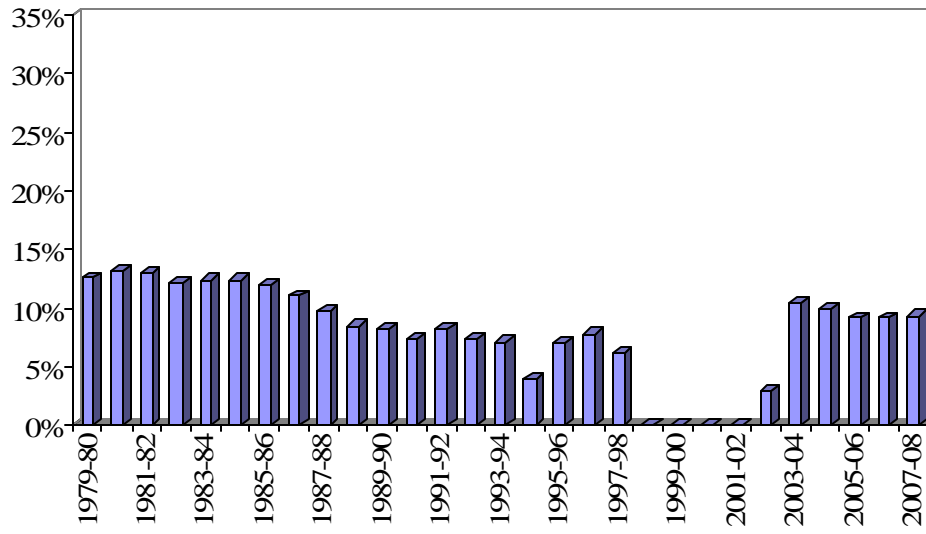


### California Highway Patrol Rates





### Schools Rates



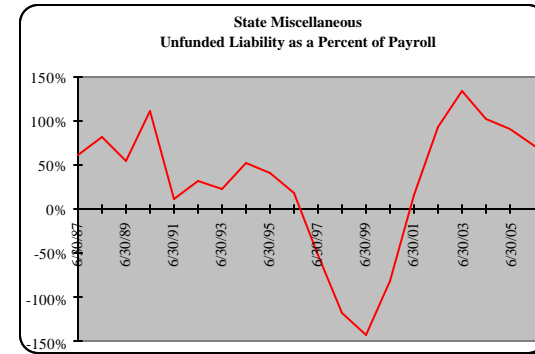
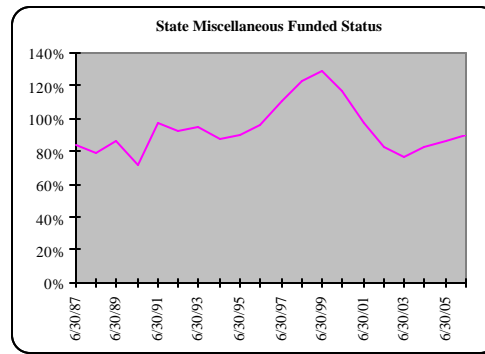
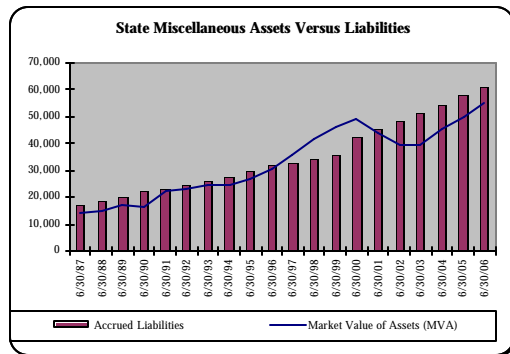
## History of Funded Status and Funding Progress

Shown below is the history of funding progress for the plans. One could view the trend in the ratio of the unfunded liability to covered payroll as a measure of the ability of the employer to address the unfunded liability.

### State Miscellaneous

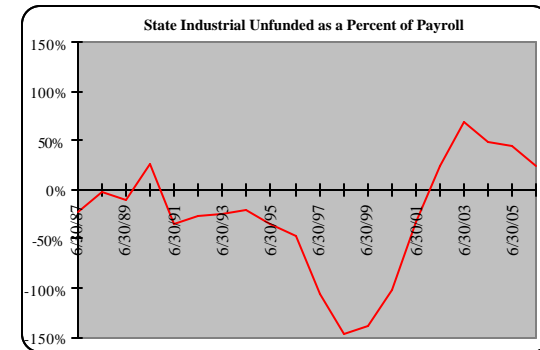
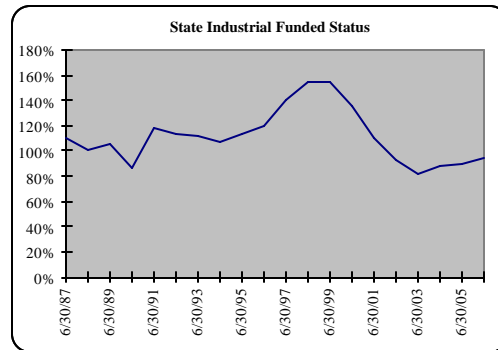
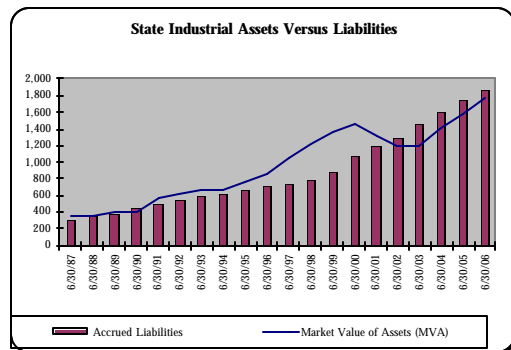
(Dollars in Millions)

Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$17,216.59	\$14,341.10	83.3%	\$2,875.49	\$4,632.96	62.1%
6/30/88	18,551.55	14,534.21	78.3%	\$4,017.34	4,912.26	81.8%
6/30/89	19,971.99	17,132.13	85.8%	\$2,839.87	5,348.02	53.1%
6/30/90	22,441.71	16,026.60	71.4%	\$6,415.10	5,815.86	110.3%
6/30/91	23,152.67	22,441.42	96.9%	\$711.24	6,302.82	11.3%
6/30/92	24,887.16	22,978.69	92.3%	\$1,908.47	6,242.74	30.6%
6/30/93	26,162.26	24,714.91	94.5%	\$1,447.35	6,310.21	22.9%
6/30/94	27,820.55	24,278.25	87.3%	\$3,542.30	6,826.52	51.9%
6/30/95	29,959.51	27,087.75	90.4%	\$2,871.76	7,009.46	41.0%
6/30/96	31,742.11	30,451.89	95.9%	\$1,290.22	6,881.12	18.8%
6/30/97	32,557.43	35,958.74	110.4%	(\$3,401.31)	6,623.62	-51.4%
6/30/98	34,169.38	42,011.09	122.9%	(\$7,841.72)	6,592.21	-119.0%
6/30/99	35,771.22	46,176.43	129.1%	(\$10,405.22)	7,332.11	-141.9%
6/30/00	42,386.05	49,207.61	116.1%	(\$6,821.57)	8,246.46	-82.7%
6/30/01	45,261.49	43,933.20	97.1%	\$1,328.30	8,815.88	15.1%
6/30/02	48,118.21	39,530.08	82.2%	\$8,588.13	9,238.43	93.0%
6/30/03	51,558.91	39,324.37	76.3%	\$12,234.54	9,207.49	132.9%
6/30/04	54,700.51	45,459.67	83.1%	\$9,240.84	9,078.96	101.8%
6/30/05	58,266.63	50,230.53	86.2%	\$8,036.10	8,896.91	90.3%
6/30/06	61,298.78	55,050.67	89.8%	\$6,248.11	8,956.47	69.8%



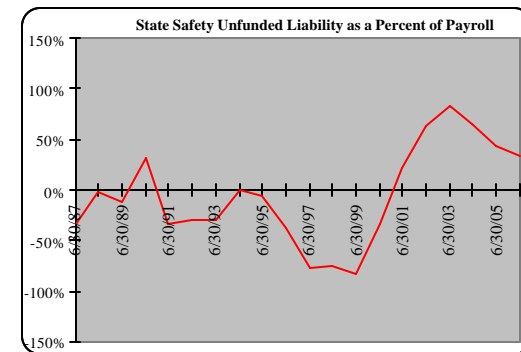
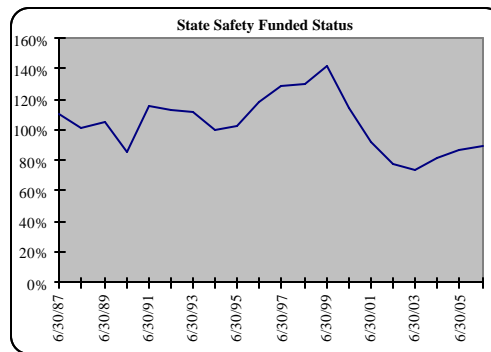
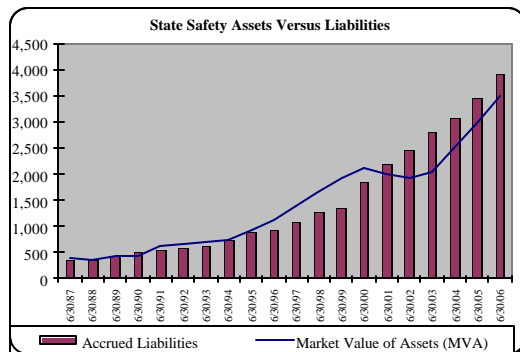
**State Industrial**  
(Dollars in Millions)

Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$315.86	\$350.09	110.8%	(\$34.22)	\$146.17	-23.4%
6/30/88	344.81	\$347.47	100.8%	(\$2.66)	166.90	-1.6%
6/30/89	386.48	\$405.87	105.0%	(\$19.39)	191.17	-10.1%
6/30/90	459.94	\$401.13	87.2%	\$58.81	224.06	26.2%
6/30/91	492.36	\$579.06	117.6%	(\$86.71)	256.41	-33.8%
6/30/92	539.59	\$609.95	113.0%	(\$70.36)	268.41	-26.2%
6/30/93	596.89	\$667.52	111.8%	(\$70.63)	278.37	-25.4%
6/30/94	618.92	\$665.17	107.5%	(\$46.25)	235.06	-19.7%
6/30/95	659.45	\$750.80	113.9%	(\$91.35)	270.74	-33.7%
6/30/96	721.31	\$861.49	119.4%	(\$140.18)	293.77	-47.7%
6/30/97	740.68	\$1,042.38	140.7%	(\$301.69)	284.64	-106.0%
6/30/98	789.88	\$1,226.17	155.2%	(\$436.29)	296.55	-147.1%
6/30/99	880.05	\$1,359.58	154.5%	(\$479.53)	343.75	-139.5%
6/30/00	1,078.75	\$1,463.21	135.6%	(\$384.45)	379.44	-101.3%
6/30/01	1,196.07	\$1,325.06	110.8%	(\$128.99)	390.17	-33.1%
6/30/02	1,294.63	\$1,199.71	92.7%	\$94.92	389.72	24.4%
6/30/03	1,462.07	\$1,200.75	82.1%	\$261.32	381.30	68.5%
6/30/04	1,601.67	\$1,414.67	88.3%	\$187.01	377.65	49.5%
6/30/05	1,753.85	\$1,586.13	90.4%	\$167.72	379.50	44.2%
6/30/06	1,870.23	\$1,776.30	95.0%	\$93.93	381.08	24.6%



**State Safety**  
(Dollars in Millions)

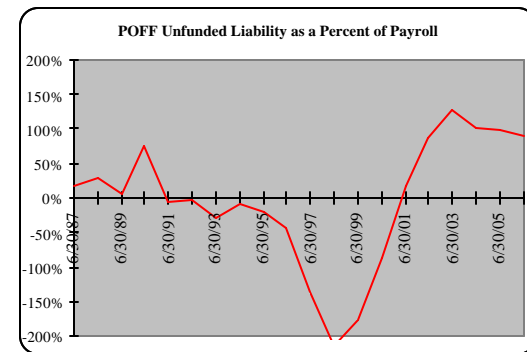
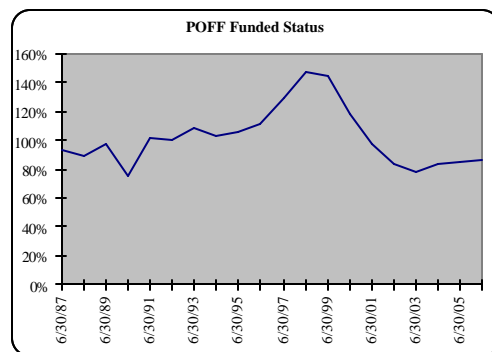
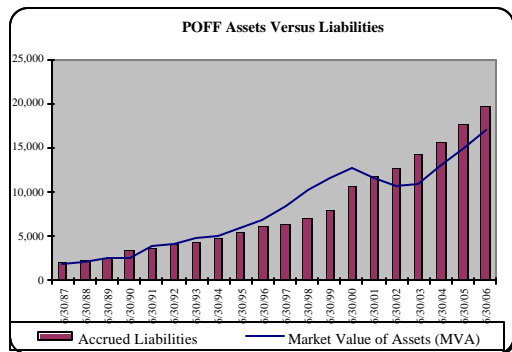
Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$349.50	\$387.09	110.8%	(\$37.59)	\$112.68	-33.4%
6/30/88	369.94	\$372.43	100.7%	(\$2.49)	133.51	-1.9%
6/30/89	420.00	\$440.28	104.8%	(\$20.28)	184.89	-11.0%
6/30/90	498.73	\$425.64	85.3%	\$73.09	231.79	31.5%
6/30/91	548.01	\$636.70	116.2%	(\$88.70)	262.42	-33.8%
6/30/92	602.36	\$679.63	112.8%	(\$77.27)	262.99	-29.4%
6/30/93	644.22	\$721.61	112.0%	(\$77.39)	265.34	-29.2%
6/30/94	761.10	\$761.74	100.1%	(\$0.64)	385.40	-0.2%
6/30/95	913.75	\$936.36	102.5%	(\$22.61)	408.03	-5.5%
6/30/96	946.58	\$1,122.60	118.6%	(\$176.02)	473.79	-37.2%
6/30/97	1,086.00	\$1,403.64	129.2%	(\$317.64)	413.78	-76.8%
6/30/98	1,285.33	\$1,671.77	130.1%	(\$386.45)	510.51	-75.7%
6/30/99	1,363.94	\$1,927.29	141.3%	(\$563.35)	681.63	-82.6%
6/30/00	1,864.69	\$2,121.78	113.8%	(\$257.09)	759.19	-33.9%
6/30/01	2,179.43	\$1,999.67	91.8%	\$179.76	850.00	21.1%
6/30/02	2,476.47	\$1,925.90	77.8%	\$550.56	875.83	62.9%
6/30/03	2,788.06	\$2,049.31	73.5%	\$738.75	890.67	82.9%
6/30/04	3,087.45	\$2,508.66	81.3%	\$578.79	889.30	65.1%
6/30/05	3,472.58	\$2,999.91	86.4%	\$472.67	1,106.95	42.7%
6/30/06	3,906.96	\$3,486.19	89.2%	\$420.77	1,225.72	34.3%



### State Peace Officers and Firefighters

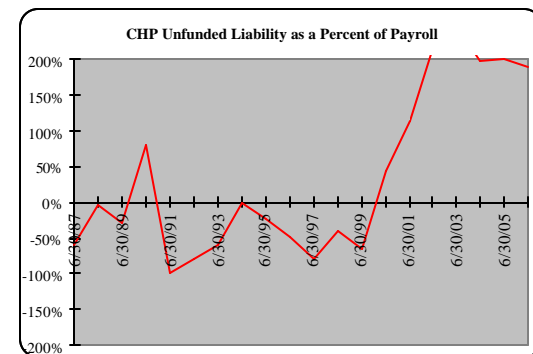
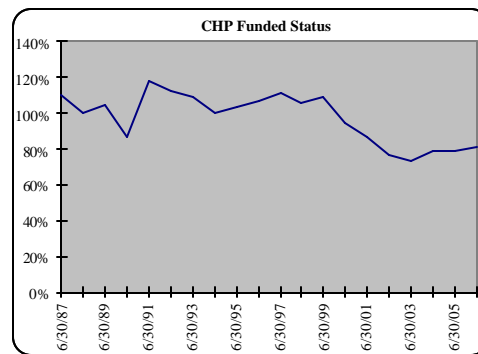
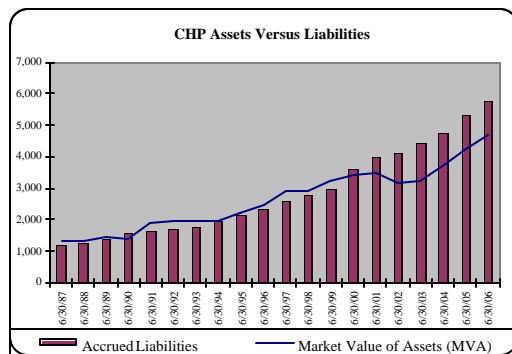
(Dollars in Millions)

Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$2,046.60	\$1,902.78	93.0%	\$143.82	\$791.32	18.2%
6/30/88	2,323.22	\$2,060.31	88.7%	\$262.91	892.79	29.4%
6/30/89	2,664.98	\$2,594.85	97.4%	\$70.13	1,001.85	7.0%
6/30/90	3,439.63	\$2,585.12	75.2%	\$854.51	1,150.54	74.3%
6/30/91	3,773.05	\$3,854.02	102.1%	(\$80.97)	1,319.96	-6.1%
6/30/92	4,193.43	\$4,232.07	100.9%	(\$38.63)	1,332.15	-2.9%
6/30/93	4,475.70	\$4,867.29	108.7%	(\$391.58)	1,347.85	-29.1%
6/30/94	4,883.90	\$5,031.67	103.0%	(\$147.77)	1,504.71	-9.8%
6/30/95	5,552.00	\$5,892.10	106.1%	(\$340.10)	1,592.42	-21.4%
6/30/96	6,128.81	\$6,860.00	111.9%	(\$731.19)	1,653.57	-44.2%
6/30/97	6,494.67	\$8,435.81	129.9%	(\$1,941.14)	1,409.62	-137.7%
6/30/98	7,015.67	\$10,321.52	147.1%	(\$3,305.85)	1,540.44	-214.6%
6/30/99	8,091.24	\$11,684.90	144.4%	(\$3,593.66)	2,017.76	-178.1%
6/30/00	10,720.41	\$12,667.55	118.2%	(\$1,947.13)	2,227.34	-87.4%
6/30/01	11,949.04	\$11,574.35	96.9%	\$374.70	2,303.58	16.3%
6/30/02	12,826.58	\$10,731.13	83.7%	\$2,095.45	2,406.97	87.1%
6/30/03	14,219.50	\$11,037.85	77.6%	\$3,181.65	2,506.75	126.9%
6/30/04	15,668.42	\$12,998.58	83.0%	\$2,669.85	2,603.55	102.5%
6/30/05	17,753.24	\$14,984.69	84.4%	\$2,768.54	2,860.33	96.8%
6/30/06	19,737.05	\$16,972.81	86.0%	\$2,764.24	3,057.73	90.4%



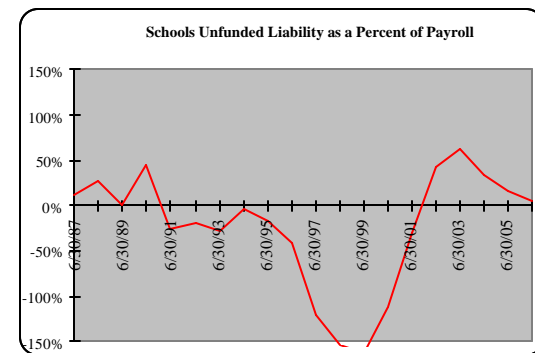
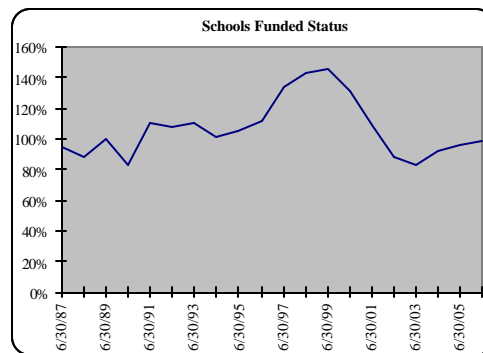
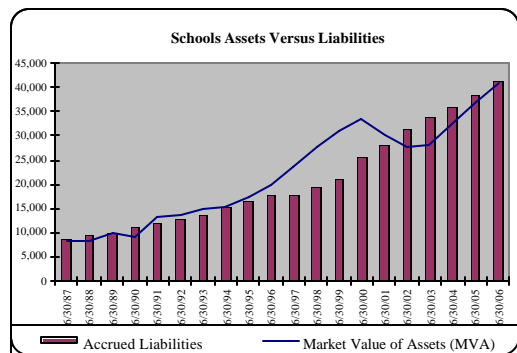
### California Highway Patrol (Dollars in Millions)

Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$1,196.54	\$1,325.90	110.8%	(\$129.35)	\$216.42	-59.8%
6/30/88	1,290.70	\$1,300.19	100.7%	(\$9.49)	226.20	-4.2%
6/30/89	1,414.86	\$1,483.64	104.9%	(\$68.79)	249.06	-27.6%
6/30/90	1,612.80	\$1,395.26	86.5%	\$217.54	271.01	80.3%
6/30/91	1,628.94	\$1,915.61	117.6%	(\$286.67)	287.52	-99.7%
6/30/92	1,732.68	\$1,956.27	112.9%	(\$223.60)	282.14	-79.2%
6/30/93	1,772.76	\$1,940.50	109.5%	(\$167.74)	278.84	-60.2%
6/30/94	1,970.53	\$1,968.32	99.9%	\$2.21	288.04	0.8%
6/30/95	2,133.61	\$2,206.59	103.4%	(\$72.98)	301.83	-24.2%
6/30/96	2,328.09	\$2,496.33	107.2%	(\$168.24)	343.47	-49.0%
6/30/97	2,620.57	\$2,911.76	111.1%	(\$291.18)	370.66	-78.6%
6/30/98	2,756.37	\$2,901.44	105.3%	(\$145.07)	366.98	-39.5%
6/30/99	2,983.40	\$3,249.25	108.9%	(\$265.84)	402.37	-66.1%
6/30/00	3,635.32	\$3,443.17	94.7%	\$192.15	433.10	44.4%
6/30/01	3,980.87	\$3,465.65	87.1%	\$515.22	455.09	113.2%
6/30/02	4,137.94	\$3,159.30	76.3%	\$978.64	461.05	212.3%
6/30/03	4,421.26	\$3,230.38	73.1%	\$1,190.87	475.73	250.3%
6/30/04	4,741.67	\$3,733.81	78.7%	\$1,007.86	508.61	198.2%
6/30/05	5,348.62	\$4,248.85	79.4%	\$1,099.77	546.14	201.4%
6/30/06	5,743.98	\$4,681.57	81.5%	\$1,062.41	556.30	191.0%



**Schools**  
(Dollars in Millions)

Valuation Date	Actuarial Accrued Liabilities	Market Value of Assets (MVA)	Funded Status (MVA)	Unfunded Liabilities/ (Surplus) (MVA)	Projected Payroll for Contribution	Unfunded/ (Surplus) as a % of Payroll
6/30/87	\$8,582.66	\$8,173.59	95.2%	\$409.07	\$3,605.26	11.3%
6/30/88	9,395.40	\$8,341.39	88.8%	\$1,054.01	3,768.65	28.0%
6/30/89	9,941.35	\$9,925.64	99.8%	\$15.72	4,054.28	0.4%
6/30/90	11,249.14	\$9,297.76	82.7%	\$1,951.37	4,392.59	44.4%
6/30/91	12,002.48	\$13,300.78	110.8%	(\$1,298.30)	4,849.84	-26.8%
6/30/92	12,855.90	\$13,815.63	107.5%	(\$959.73)	4,882.78	-19.7%
6/30/93	13,575.13	\$14,955.70	110.2%	(\$1,380.57)	4,852.84	-28.4%
6/30/94	15,135.82	\$15,373.38	101.6%	(\$237.56)	5,140.41	-4.6%
6/30/95	16,421.90	\$17,314.37	105.4%	(\$892.46)	5,350.87	-16.7%
6/30/96	17,571.63	\$19,706.46	112.1%	(\$2,134.83)	5,145.78	-41.5%
6/30/97	17,583.43	\$23,499.15	133.6%	(\$5,915.72)	4,907.43	-120.5%
6/30/98	19,499.14	\$27,873.56	142.9%	(\$8,374.42)	5,444.66	-153.8%
6/30/99	21,216.00	\$30,917.57	145.7%	(\$9,701.57)	5,961.02	-162.8%
6/30/00	25,473.96	\$33,295.07	130.7%	(\$7,821.11)	7,052.94	-110.9%
6/30/01	27,946.43	\$30,307.55	108.4%	(\$2,361.12)	7,912.23	-29.8%
6/30/02	31,271.16	\$27,689.90	88.5%	\$3,581.27	8,344.24	42.9%
6/30/03	33,792.88	\$28,182.01	83.4%	\$5,610.86	9,079.11	61.8%
6/30/04	35,932.74	\$32,828.49	91.4%	\$3,104.24	9,068.75	34.2%
6/30/05	38,367.52	\$36,898.25	96.2%	\$1,469.27	9,222.78	15.9%
6/30/06	41,408.65	\$40,852.35	98.7%	\$556.31	9,880.89	5.6%



## Summary of Assets

- RECONCILIATION OF THE MARKET VALUE OF ASSETS OVER THE PRIOR FISCAL YEAR
- DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS
- ASSET ALLOCATION



## Reconciliation of the Market Value of Assets Over the Prior Fiscal Year

	State Miscellaneous	State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
1. Market Value of Assets as of June 30, 2005 Including Receivables for Tier 1 Conversion	\$ 50,230,533,293	\$ 1,586,127,907	\$ 2,999,909,379	\$ 14,984,693,580	\$ 4,248,846,970	\$ 36,898,252,750
2. Receivables for Tier 1 Conversion and Service Buybacks as of June 30, 2005	\$ 280,908,749	\$ 11,013,274	\$ 5,963,545	\$ 30,986,276	\$ 7,972,946	\$ 19,171,445
3. Market Value of Assets as of June 30, 2005	\$ 49,949,624,544	\$ 1,575,114,633	\$ 2,993,945,834	\$ 14,953,707,304	\$ 4,240,874,024	\$ 36,879,081,305
4. Contributions Received during fiscal year 2005-2006	1,893,183,400	80,569,330	274,334,136	910,290,487	192,698,439	1,481,401,039
5. Benefit Payments in 2005-2006	(2,934,484,106)	(73,636,711)	(139,986,847)	(644,894,509)	(242,250,855)	(1,690,320,098)
6. Refunds in 2005-2006	(12,102,786)	(474,025)	(2,365,501)	(7,792,598)	(826,051)	(70,410,364)
7. Investment Return	5,725,910,322	180,510,599	352,880,562	1,721,282,022	482,148,671	4,227,414,011
8. Market Value of Assets as of June 30, 2006 [(3) + (4) + (5) + (6) + (7)]	\$ 54,622,131,374	\$ 1,762,083,826	\$ 3,478,808,184	\$ 16,932,592,706	\$ 4,672,644,228	\$ 40,827,165,893
9. Receivables for Tier 1 Conversion and Service Buybacks as of June 30, 2006	\$ 428,537,936	\$ 14,211,495	\$ 7,380,053	\$ 40,218,853	\$ 8,929,483	\$ 25,180,944
10. Market Value of Assets as of June 30, 2006 Including Receivables for Tier 1 Conversion and Service Buybacks	\$ 55,050,669,310	\$ 1,776,295,321	\$ 3,486,188,237	\$ 16,972,811,559	\$ 4,681,573,711	\$ 40,852,346,837

## Development of the Actuarial Value of Assets

	State Miscellaneous	State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
1. Actuarial Value of Assets as of June 30, 2005 Used for Rate Setting Purposes	\$ 48,708,236,326	\$ 1,543,245,314	\$ 2,900,647,300	\$ 14,558,005,640	\$ 4,120,180,003	\$ 35,800,941,532
2. Receivables for Tier 1 Conversion and Service Buybacks as of June 30, 2005	\$ 280,908,749	\$ 11,013,274	\$ 5,963,545	\$ 30,986,276	\$ 7,972,946	\$ 19,171,445
3. Actuarial Value of Assets as of 6/30/05 Used for Rate Setting Purposes Only [(1) - (2)]	\$ 48,427,327,577	\$ 1,532,232,040	\$ 2,894,683,755	\$ 14,527,019,364	\$ 4,112,207,057	\$ 35,781,770,087
4. Contributions Received during fiscal year 2005-2006	1,893,183,400	80,569,330	274,334,136	910,290,487	192,698,439	1,481,401,039
5. Benefit Payments in 2005-2006	(2,934,484,106)	(73,636,711)	(139,986,847)	(644,894,509)	(242,250,855)	(1,690,320,098)
6. Refunds in 2005-2006	(12,102,786)	(474,025)	(2,365,501)	(7,792,598)	(826,051)	(70,410,364)
7. Expected Investment Return during fiscal 2005-2006 [(3) x 0.0775 + [(4) + (5) + (6)] x ((1 + 0.0775)^.5-1)]	3,713,060,139	118,993,584	229,356,859	1,135,639,878	316,780,306	2,762,465,129
8. Expected Actuarial Value of Assets as of June 30, 2006 (Prior to Adjustment for Receivables) [(3) + (4) + (5) + (6) + (7)]	\$ 51,086,984,224	\$ 1,657,684,218	\$ 3,256,022,402	\$ 15,920,262,622	\$ 4,378,608,896	\$ 38,264,905,793
9. Market Value of Assets as of 6/30/06 (Prior to Adjustment for Receivables)	\$ 54,622,131,374	\$ 1,762,083,826	\$ 3,478,808,184	\$ 16,932,592,706	\$ 4,672,644,228	\$ 40,827,165,893
10. Actuarial Value of Assets as of 6/30/06 [(8) + [(9) - (8)]/15, but not less than 80% or more than 120% of (9)]	\$ 51,322,660,701	\$ 1,664,644,192	\$ 3,270,874,787	\$ 15,987,751,294	\$ 4,398,211,251	\$ 38,435,723,133
11. Receivables for Tier 1 Conversion and Service Buybacks as of June 30, 2006	\$ 428,537,936	\$ 14,211,495	\$ 7,380,053	\$ 40,218,853	\$ 8,929,483	\$ 25,180,944
12. Actuarial Value of Assets as of June 30, 2006 Used for Rate Setting Purposes Only [(10) + (11)]	\$ 51,751,198,637	\$ 1,678,855,687	\$ 3,278,254,840	\$ 16,027,970,147	\$ 4,407,140,734	\$ 38,460,904,077

## Asset Allocation

The asset allocation and market value of assets shown below are in respect of the Public Employees Retirement Fund (PERF) as a whole as of June 30, 2006. The assets of the State plans and Schools pool are part of the PERF and are invested accordingly.

Asset Class	Market Value (\$ Billion)	Current Allocation	Target <sup>1</sup>
Cash Equivalents	\$ 2.9	1.4%	0.0%
Global Fixed Income	\$ 52.0	24.5	26.0
Equities			
Domestic	\$ 85.0	40.0%	40.0
International	44.9	21.2	20.0
Alt. Inv./Private Eq.	<u>12.1</u>	<u>5.7</u>	<u>6.0</u>
Total Equities	\$ 142.0	66.9	66.0
Real Estate	\$ 15.2	7.2	8.0
Total Fund	\$ 212.1 <sup>2</sup>	100.0%	100.0%

<sup>1</sup> Target allocation effective January 1, 2006.

<sup>2</sup> Differences between investment values above and the values on the Summary of Investments on page 77 of the Comprehensive Annual Financial Report (Year Ended June 30, 2006) are due to differences in reporting methods. The Summary of Investments includes Net Investment Receivables/Payables.

## SUMMARY OF PARTICIPANT DATA

- SOURCE OF THE PARTICIPANT DATA
- DATA VALIDATION TESTS AND ADJUSTMENTS
- DATA STATEMENT
- RECONCILIATION OF PARTICIPANTS
- DISTRIBUTION OF ACTIVE PARTICIPANTS AND AVERAGE MONTHLY SALARIES BY AGE AND SERVICE
- DISTRIBUTION BY AGE AND SERVICE OF TERMINATED PARTICIPANTS WITH FUNDS ON DEPOSIT AND TRANSFERS TO OTHER CALPERS PLANS
- SUMMARY OF RETIREES AND BENEFICIARIES

## Source of the Participant Data

The data was extracted from various databases within CalPERS and placed in a data warehouse by a series of extract programs. Included in this data is:

- individual member and beneficiary information,
- employment and payroll information,
- accumulated contributions with interest,
- service information,
- benefit payment information,
- information about the various organizations which contract with CalPERS, and
- detailed information about the plan provisions applicable to each group of members.

## Data Validation Tests and Adjustments

Once the information is extracted from the various computer systems into the data warehouse, update queries are then run against this data to correct for flaws found in the data. This part of the process is intended to validate the participant data for all CalPERS plans. It is not specific to the State and Schools plans.

The data for each of the State and Schools plans was then pulled into separate files. The data in these files was then checked for reasonableness and consistency with data from the prior valuation.

Checks on the data included:

- a reconciliation of the membership of the plans,
- comparisons of various member statistics (average attained age, average entry age, average salary, etc.) for each plan with those from the prior valuation
- pension amounts for each retiree and beneficiary receiving payments were compared with the pension amounts from the prior valuation
- checks for invalid ages and dates, and
- reasonableness checks on various key data elements such as service and salary.

As a result of the tests on the data, a number of adjustments were determined to be necessary. These included:

- dates of hire and dates of entry were adjusted where necessary to be consistent with the service fields, the date of birth and each other, and

- the annual earnings rate for most Schools members were overwritten with the annualized earnings based on their yearly contributions.

In addition, it is also known that records relating to pre-1984 State Safety retirees who were transferred to the State Peace Officers and Firefighters plan upon its creation have not had their records updated to reflect the transfer. In this valuation, as in prior valuations, this deficiency has been handled by adjusting the assets and liabilities rather than by trying to correct the data. The member counts and summary of retiree data have not been adjusted to correct for this deficiency.

## Data Statement

The data does not contain information about reciprocal systems and hence salary information for terminated participants covered by reciprocal systems may not be up to date. This situation is not expected to have a material impact on the employer contribution rates since the total present value for all terminated participants represents less than 2% of the present value of benefits for all members.

We are unaware of any other data issues that would have a material effect on the results of this valuation.

It is our opinion that, after the adjustments noted above, the participant data was sufficient and reliable for the purposes of the valuation.

## Reconciliation of Participants

For the Fiscal Year Ending June 30, 2006

### State Miscellaneous Tier 1

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2005</b>	<b>149,092</b>	<b>20,384</b>	<b>34,839</b>	<b>134,316</b>	<b>338,631</b>
Retirements	(4,867)	(1,014)	(398)	6,279	-
Disabilities	(219)	(61)	(118)	398	-
Deaths <sup>2</sup>	(215)	(39)	(82)	(9,742)	(10,078)
New Survivors	n/a	n/a	n/a	5,333	5,333
Non-vested Terminations <sup>1</sup>	(2,607)	(188)	2,795	-	-
Vested Terminations	(1,918)	(302)	2,221	(1)	-
Refunds of Contributions	(1,033)	(73)	(251)	(5)	(1,362)
Transfers	(1,826)	2,908	(1,038)	(44)	-
Redeposits/Rehires	1,904	(556)	(1,283)	(65)	-
First Year in Status	7,148	798	737	-	8,683
Moved from Tier 2	793	107	42	382	1,324
Data Corrections <sup>3</sup>	(714)	(234)	(965)	522	(1,391)
<b>As of June 30, 2006</b>	<b>145,538</b>	<b>21,730</b>	<b>36,499</b>	<b>137,373</b>	<b>341,140</b>

### State Miscellaneous Tier 2

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2005</b>	<b>11,184</b>	<b>13,931</b>	<b>1,596</b>	<b>3,858</b>	<b>30,569</b>
Retirements	(6)	(37)	(44)	87	-
Disabilities	(11)	(15)	(17)	43	-
Deaths <sup>2</sup>	(2)	-	(13)	(265)	(280)
New Survivors	n/a	n/a	n/a	152	152
Non-vested Terminations <sup>1</sup>	(78)	(91)	169	-	-
Vested Terminations	(377)	(332)	709	-	-
Refunds of Contributions	-	(1)	(1)	-	(2)
Transfers	(266)	759	(488)	(5)	-
Redeposits/Rehires	164	(27)	(137)	-	-
First Year in Status	75	110	90	-	275
Moved to Tier 1	(793)	(107)	(42)	(382)	(1,324)
Data Corrections <sup>3</sup>	290	(811)	200	480	159
<b>As of June 30, 2006</b>	<b>10,180</b>	<b>13,379</b>	<b>2,022</b>	<b>3,968</b>	<b>29,549</b>

<sup>1</sup> Includes non-vested terminated participants with employee contributions left in the plan.

<sup>2</sup> Includes both deaths without survivors and deaths with survivors receiving a benefit.

<sup>3</sup> May include the combining of data records into a single record.

## Reconciliation of Participants (Continued)

For the Fiscal Year Ending June 30, 2006

## State Industrial

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2005</b>	<b>8,482</b>	<b>7,122</b>	<b>2,441</b>	<b>6,673</b>	<b>24,718</b>
Retirements	(261)	(269)	(27)	557	-
Disabilities	(31)	(36)	(18)	85	-
Deaths <sup>2</sup>	(12)	(13)	(7)	(359)	(391)
New Survivors	n/a	n/a	n/a	207	207
Non-vested Terminations <sup>1</sup>	(67)	(21)	88	-	-
Vested Terminations	(133)	(98)	231	-	-
Refunds of Contributions	(40)	(30)	(34)	-	(104)
Transfers	(627)	760	(120)	(13)	-
Redeposits/Rehires	210	(156)	(48)	(6)	-
First Year in Status	727	130	34	-	891
Data Corrections <sup>3</sup>	(28)	(42)	(12)	52	(30)
<b>As of June 30, 2006</b>	<b>8,220</b>	<b>7,347</b>	<b>2,528</b>	<b>7,196</b>	<b>25,291</b>

## State Safety

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2005</b>	<b>19,021</b>	<b>3,499</b>	<b>2,821</b>	<b>12,584</b>	<b>37,925</b>
Retirements	(673)	(198)	(41)	912	-
Disabilities	(101)	(19)	(46)	166	-
Deaths <sup>2</sup>	(51)	(8)	(10)	(673)	(742)
New Survivors	n/a	n/a	n/a	451	451
Non-vested Terminations <sup>1</sup>	(275)	(14)	289	-	-
Vested Terminations	(255)	(32)	288	(1)	-
Refunds of Contributions	(206)	(14)	(24)	-	(244)
Transfers	(493)	620	(120)	(7)	-
Redeposits/Rehires	262	(97)	(142)	(23)	-
First Year in Status	2,956	289	180	-	3,425
Data Corrections <sup>3</sup>	(36)	(62)	(128)	72	(154)
<b>As of June 30, 2006</b>	<b>20,149</b>	<b>3,964</b>	<b>3,067</b>	<b>13,481</b>	<b>40,661</b>

<sup>1</sup> Includes non-vested terminated participants with employee contributions left in the plan.<sup>2</sup> Includes both deaths without survivors and deaths with survivors receiving a benefit.<sup>3</sup> May include the combining of data records into a single record.



## Reconciliation of Participants (Continued)

For the Fiscal Year Ending June 30, 2006

State Peace Officers and Firefighters

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2005</b>	<b>41,738</b>	<b>9,231</b>	<b>5,407</b>	<b>16,080</b>	<b>72,456</b>
Retirements	(1,211)	(77)	(40)	1,328	-
Disabilities	(278)	(13)	(106)	397	-
Deaths <sup>2</sup>	(54)	(9)	(11)	(425)	(499)
New Survivors	n/a	n/a	n/a	313	313
Non-vested Terminations <sup>1</sup>	(439)	(33)	472	-	-
Vested Terminations	(322)	(75)	397	-	-
Refunds of Contributions	(166)	(24)	(62)	-	(252)
Transfers	(510)	842	(319)	(13)	-
Redeposits/Rehires	597	(318)	(261)	(18)	-
First Year in Status	3,208	128	491	-	3,827
Data Corrections <sup>3</sup>	(86)	(768)	(319)	141	(1,032)
<b>As of June 30, 2006</b>	<b>42,477</b>	<b>8,884</b>	<b>5,649</b>	<b>17,803</b>	<b>74,813</b>

California Highway Patrol

	Active	Transfer	Terminated	Receiving	Total
<b>As of June 30, 2005</b>	<b>6,965</b>	<b>293</b>	<b>317</b>	<b>6,685</b>	<b>14,260</b>
Retirements	(220)	(14)	(8)	242	-
Disabilities	(104)	(3)	(4)	111	-
Deaths <sup>2</sup>	(13)	(1)	(1)	(221)	(236)
New Survivors	n/a	n/a	n/a	142	142
Non-vested Terminations <sup>1</sup>	(10)	-	10	-	-
Vested Terminations	(48)	(8)	56	-	-
Refunds of Contributions	(7)	(2)	(3)	-	(12)
Transfers	(31)	48	(12)	(5)	-
Redeposits/Rehires	36	(2)	(32)	(2)	-
First Year in Status	258	4	35	-	297
Data Corrections <sup>3</sup>	(2)	(5)	(38)	34	(11)
<b>As of June 30, 2006</b>	<b>6,824</b>	<b>310</b>	<b>320</b>	<b>6,986</b>	<b>14,440</b>

<sup>1</sup> Includes non-vested terminated participants with employee contributions left in the plan.<sup>2</sup> Includes both deaths without survivors and deaths with survivors receiving a benefit.<sup>3</sup> May include the combining of data records into a single record.

## Reconciliation of Participants (Continued)

For the Fiscal Year Ending June 30, 2006

Schools

	<b>Active</b>	<b>Transfer</b>	<b>Terminated</b>	<b>Receiving</b>	<b>Total</b>
<b>As of June 30, 2005</b>	<b>274,190</b>	<b>21,632</b>	<b>126,877</b>	<b>153,866</b>	<b>576,565</b>
Retirements	(5,101)	(2,383)	(775)	8,259	-
Disabilities	(155)	(98)	(187)	440	-
Deaths <sup>2</sup>	(369)	(323)	(282)	(10,952)	(11,926)
New Survivors	n/a	n/a	n/a	6,894	6,894
Non-vested Terminations <sup>1</sup>	(10,572)	(1,887)	12,461	(2)	-
Vested Terminations	(3,858)	(3,898)	7,760	(4)	-
Refunds of Contributions	(4,671)	(1,985)	(1,003)	(7)	(7,666)
Transfers	(1,629)	4,770	(3,074)	(67)	-
Redeposits/Rehires	2,559	(219)	(2,323)	(17)	-
First Year in Status	31,484	1,142	2,543	-	35,169
Data Corrections <sup>3</sup>	(2,273)	7,225	(4,736)	1,416	1,632
<b>As of June 30, 2006</b>	<b>279,605</b>	<b>23,976</b>	<b>137,261</b>	<b>159,826</b>	<b>600,668</b>

<sup>1</sup> Includes non-vested terminated participants with employee contributions left in the plan.

<sup>2</sup> Includes both deaths without survivors and deaths with survivors receiving a benefit.

<sup>3</sup> May include the combining of data records into a single record.

## Active Members

### Distribution of Active Members By Age and Service

As of June 30, 2006

State Miscellaneous Tier 1

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-29	30+	
15-24	1,272	19					1,291
25-29	4,765	1,405	18				6,188
30-34	5,148	4,640	437	30			10,255
35-39	5,486	6,396	2,281	987	30		15,180
40-44	4,999	6,481	3,126	4,168	1,085		19,859
45-49	4,615	6,595	3,336	5,259	5,578	116	25,499
50-54	4,026	5,764	3,132	5,305	8,377	2,063	28,667
55-59	2,934	4,083	2,496	4,163	6,546	3,519	23,741
60-64	1,370	2,030	1,272	1,889	2,644	1,782	10,987
65+	647	849	474	653	763	485	3,871
<b>Total</b>	<b>35,262</b>	<b>38,262</b>	<b>16,572</b>	<b>22,454</b>	<b>25,023</b>	<b>7,965</b>	<b>145,538</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

### Distribution of Average Annual Salaries By Age and Service

As of June 30, 2006

State Miscellaneous Tier 1

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 17,739	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,739
20-24	26,489	34,153	0	0	0	0	0	0	26,602
25-29	35,357	42,490	51,350	0	0	0	0	0	37,023
30-34	42,351	49,224	51,552	53,809	0	0	0	0	45,886
35-39	45,435	52,678	56,692	56,306	62,168	0	0	0	50,918
40-44	45,702	53,515	58,131	60,485	58,023	59,274	0	0	53,988
45-49	44,463	53,799	57,272	60,427	60,521	58,137	64,273	0	55,255
50-54	44,893	53,257	58,186	61,887	61,652	60,962	62,773	68,278	57,270
55-59	47,005	54,028	58,357	62,138	64,116	63,967	65,594	65,972	59,525
60-64	45,124	54,189	57,675	61,928	65,801	67,150	70,620	69,579	60,344
65 & Up	39,024	52,902	57,966	63,232	67,396	68,200	73,090	72,791	58,379
<b>All Ages</b>	<b>\$ 42,787</b>	<b>\$ 52,527</b>	<b>\$ 57,584</b>	<b>\$ 61,118</b>	<b>\$ 62,264</b>	<b>\$ 62,219</b>	<b>\$ 65,809</b>	<b>\$ 68,401</b>	<b>\$ 54,501</b>

## Distribution of Active Members By Age and Service

As of June 30, 2006

State Miscellaneous Tier 2

Attained Age	<u>Years of Service at Valuation Date</u>						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	10						10
25-29	48	145					193
30-34	76	587	146	4			813
35-39	71	748	573	149	1		1,542
40-44	62	687	656	405	79		1,889
45-49	69	616	554	409	307	6	1,961
50-54	58	462	423	355	324	89	1,711
55-59	32	304	308	231	195	158	1,228
60-64	31	151	135	96	80	80	573
65+	33	79	61	37	20	30	260
<b>Total</b>	<b>490</b>	<b>3,779</b>	<b>2,856</b>	<b>1,686</b>	<b>1,006</b>	<b>363</b>	<b>10,180</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2006

State Miscellaneous Tier 2

Attained Age	<u>--Years of Service at Valuation Date--</u>								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
20-24	26,245	0	0	0	0	0	0	0	26,245
25-29	39,426	37,392	0	0	0	0	0	0	37,898
30-34	39,369	43,724	43,056	43,572	0	0	0	0	43,196
35-39	37,139	43,837	46,672	46,820	40,704	0	0	0	44,868
40-44	39,817	43,125	46,998	50,049	48,449	44,166	0	0	46,064
45-49	36,073	44,255	47,157	47,806	48,630	49,748	60,598	0	46,334
50-54	34,237	45,920	47,817	47,442	48,907	51,693	56,359	56,136	47,702
55-59	34,049	43,261	47,437	47,658	53,013	57,757	54,131	59,335	48,415
60-64	33,923	44,961	46,258	47,313	49,924	47,699	55,441	56,008	47,071
65 & Up	33,910	39,340	49,934	52,912	41,455	52,077	49,850	54,478	45,312
<b>All Ages</b>	<b>\$ 36,709</b>	<b>\$ 43,670</b>	<b>\$ 46,958</b>	<b>\$ 48,235</b>	<b>\$ 49,346</b>	<b>\$ 52,188</b>	<b>\$ 55,037</b>	<b>\$ 56,998</b>	<b>\$ 46,128</b>

## Distribution of Active Members By Age and Service

As of June 30, 2006

State Industrial

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	72	2					74
25-29	288	100	2				390
30-34	311	314	41	2			668
35-39	408	425	179	58	1		1,071
40-44	422	469	245	161	39		1,336
45-49	421	500	289	225	107		1,542
50-54	308	427	255	256	149	11	1,406
55-59	231	331	192	180	104	14	1,052
60-64	91	139	137	87	41	6	501
65+	30	60	54	24	6	6	180
<b>Total</b>	<b>2,582</b>	<b>2,767</b>	<b>1,394</b>	<b>993</b>	<b>447</b>	<b>37</b>	<b>8,220</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2006

State Industrial

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
20-24	28,301	33,681	0	0	0	0	0	0	28,446
25-29	31,480	35,459	38,202	0	0	0	0	0	32,535
30-34	35,653	37,294	39,798	43,920	0	0	0	0	36,703
35-39	39,377	39,462	42,350	46,323	41,172	0	0	0	40,285
40-44	39,975	42,219	45,178	47,852	54,747	49,566	0	0	43,090
45-49	40,971	42,355	46,344	48,883	53,802	56,410	0	0	44,517
50-54	44,286	43,634	46,680	50,934	53,643	54,617	56,484	0	46,853
55-59	46,260	44,029	50,540	48,629	50,893	58,718	51,981	40,007	47,471
60-64	42,583	45,785	48,953	49,025	49,719	49,488	50,806	53,188	47,015
65 & Up	37,580	42,923	73,389	50,953	53,645	0	38,892	33,939	52,356
<b>All Ages</b>	<b>\$ 39,390</b>	<b>\$ 41,640</b>	<b>\$ 47,365</b>	<b>\$ 49,102</b>	<b>\$ 52,784</b>	<b>\$ 55,663</b>	<b>\$ 52,605</b>	<b>\$ 38,775</b>	<b>\$ 43,487</b>

## Distribution of Active Members By Age and Service

As of June 30, 2006

State Safety

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	283						283
25-29	832	60					892
30-34	1,124	260	11				1,395
35-39	1,328	527	142	12			2,009
40-44	1,486	688	296	115	7		2,592
45-49	1,640	946	483	302	75		3,446
50-54	1,552	1,232	547	458	161	7	3,957
55-59	1,222	909	497	379	145	10	3,162
60-64	555	525	303	189	77	5	1,654
65+	224	262	150	85	36	2	759
<b>Total</b>	<b>10,246</b>	<b>5,409</b>	<b>2,429</b>	<b>1,540</b>	<b>501</b>	<b>24</b>	<b>20,149</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2006

State Safety

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 29,146	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,146
20-24	34,330	0	0	0	0	0	0	0	34,330
25-29	40,231	41,248	0	0	0	0	0	0	40,299
30-34	47,148	48,267	43,685	0	0	0	0	0	47,329
35-39	50,211	53,945	53,994	56,731	0	0	0	0	51,497
40-44	51,764	55,907	55,771	55,686	67,501	0	0	0	53,538
45-49	53,001	60,325	59,220	56,945	57,586	65,866	0	0	56,355
50-54	55,801	62,572	61,917	62,160	64,370	64,921	59,908	0	59,852
55-59	57,452	66,551	65,016	61,974	64,158	65,064	63,036	0	62,136
60-64	61,895	69,925	68,958	63,042	64,077	75,634	57,564	0	66,048
65 & Up	73,721	84,851	82,432	64,902	68,364	56,609	60,829	51,732	77,873
<b>All Ages</b>	<b>\$ 52,155</b>	<b>\$ 62,028</b>	<b>\$ 62,865</b>	<b>\$ 60,826</b>	<b>\$ 63,493</b>	<b>\$ 65,716</b>	<b>\$ 60,798</b>	<b>\$ 51,732</b>	<b>\$ 57,063</b>

## Distribution of Active Members By Age and Service

As of June 30, 2006

State Peace Officers and Firefighters

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	1,062	1					1,063
25-29	3,203	650					3,853
30-34	2,652	2,664	485	2			5,803
35-39	1,899	2,592	2,306	415	2		7,214
40-44	1,354	1,689	1,983	2,174	685		7,885
45-49	838	1,187	1,440	2,057	2,037		7,559
50-54	492	723	903	1,315	1,719	119	5,271
55-59	220	369	471	740	821	95	2,716
60-64	66	134	173	308	225	23	929
65+	10	18	36	70	45	5	184
<b>Total</b>	<b>11,796</b>	<b>10,027</b>	<b>7,797</b>	<b>7,081</b>	<b>5,534</b>	<b>242</b>	<b>42,477</b>

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2006

State Peace Officers and Firefighters

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 27,021	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,021
20-24	33,510	61,547	0	0	0	0	0	0	33,537
25-29	48,009	64,685	0	0	0	0	0	0	50,823
30-34	52,520	67,059	71,458	73,890	0	0	0	0	60,785
35-39	54,907	68,313	72,329	74,340	60,694	0	0	0	66,412
40-44	56,290	69,015	72,477	75,436	79,794	83,214	0	0	70,409
45-49	58,417	69,961	72,494	75,371	80,765	85,318	0	0	73,738
50-54	62,462	71,375	73,935	76,205	80,097	87,054	92,578	101,957	76,314
55-59	65,393	72,708	73,087	76,689	79,972	82,871	88,497	90,681	76,333
60-64	65,006	72,391	72,917	74,945	78,899	84,088	80,222	77,689	74,850
65 & Up	69,404	70,495	72,011	72,411	80,236	83,727	81,625	82,527	74,275
<b>All Ages</b>	<b>\$ 51,527</b>	<b>\$ 68,498</b>	<b>\$ 72,586</b>	<b>\$ 75,575</b>	<b>\$ 80,246</b>	<b>\$ 85,523</b>	<b>\$ 90,054</b>	<b>\$ 86,271</b>	<b>\$ 67,525</b>

## Distribution of Active Members By Age and Service

As of June 30, 2006

California Highway Patrol

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	52						52
25-29	398	215					613
30-34	429	710	204				1,343
35-39	231	610	553	174	2		1,570
40-44	10	96	359	604	182		1,251
45-49	1	1	94	294	748	1	1,139
50-54	1	2	46	50	572	9	680
55-59	1		11	5	125	28	170
60-64				1	4	1	6
65+							
<b>Total</b>	<b>1,123</b>	<b>1,634</b>	<b>1,267</b>	<b>1,128</b>	<b>1,633</b>	<b>39</b>	<b>6,824</b>

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## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2006

California Highway Patrol

Attained Age	-- Years of Service at Valuation Date --								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
20-24	59,501	0	0	0	0	0	0	0	59,501
25-29	64,566	71,930	0	0	0	0	0	0	67,149
30-34	65,684	72,752	74,965	0	0	0	0	0	70,830
35-39	65,625	72,979	74,845	78,140	92,367	0	0	0	73,151
40-44	61,431	72,304	74,961	79,325	84,901	0	0	0	78,202
45-49	78,656	72,982	76,727	78,446	87,219	88,692	80,545	0	84,297
50-54	48,248	91,840	79,390	80,025	84,112	89,116	99,370	0	85,923
55-59	60,428	0	83,452	64,340	83,178	86,542	104,739	80,150	87,386
60-64	0	0	0	81,580	80,260	77,997	78,485	0	79,053
65 & Up	0	0	0	0	0	0	0	0	0
<b>All Ages</b>	<b>\$ 64,943</b>	<b>\$ 72,726</b>	<b>\$ 75,277</b>	<b>\$ 78,880</b>	<b>\$ 85,902</b>	<b>\$ 88,531</b>	<b>\$ 101,995</b>	<b>\$ 80,150</b>	<b>\$ 76,470</b>



## Distribution of Active Members By Age and Service

As of June 30, 2006

Schools

Attained Age	Years of Service at Valuation Date						Total
	0-4	5-9	10-14	15-19	20-24	25+	
15-24	9,069	62					9,131
25-29	16,251	2,976	20				19,247
30-34	13,280	7,215	1,015	14			21,524
35-39	14,070	8,349	3,067	970	25		26,481
40-44	18,326	10,420	4,430	3,096	1,180		37,452
45-49	18,361	13,853	6,237	4,487	3,892	34	46,864
50-54	14,720	13,910	8,319	6,187	5,782	1,008	49,926
55-59	9,341	9,810	7,415	6,521	5,785	1,588	40,460
60-64	4,202	4,662	3,637	3,566	3,625	840	20,532
65+	1,992	1,924	1,371	1,162	1,221	318	7,988
<b>Total</b>	<b>119,612</b>	<b>73,181</b>	<b>35,511</b>	<b>26,003</b>	<b>21,510</b>	<b>3,788</b>	<b>279,605</b>

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## Distribution of Average Annual Salaries By Age and Service

As of June 30, 2006

Schools

Attained Age	--Years of Service at Valuation Date--								Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19	\$ 8,604	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,604
20-24	16,707	35,953	0	0	0	0	0	0	16,842
25-29	22,867	35,987	42,158	0	0	0	0	0	24,916
30-34	25,502	37,055	41,437	52,069	0	0	0	0	30,143
35-39	24,858	38,039	42,463	45,449	46,079	0	0	0	31,827
40-44	23,831	36,802	42,050	47,354	49,434	52,771	0	0	32,350
45-49	24,670	35,635	40,501	46,713	49,726	51,100	56,138	0	34,270
50-54	24,846	34,675	38,974	44,128	49,426	52,059	55,526	61,076	35,922
55-59	25,371	34,913	37,988	43,298	47,135	52,506	56,496	57,394	37,514
60-64	24,576	34,707	36,875	40,881	45,446	48,607	53,845	59,189	37,036
65 & Up	20,536	30,773	32,965	38,664	40,645	43,427	46,920	52,172	32,131
<b>All Ages</b>	<b>\$ 23,793</b>	<b>\$ 35,764</b>	<b>\$ 39,347</b>	<b>\$ 44,114</b>	<b>\$ 47,740</b>	<b>\$ 50,900</b>	<b>\$ 54,981</b>	<b>\$ 57,459</b>	<b>\$ 33,149</b>

## Terminated and Transferred Participants

Distributions By Age and Service

Transfers to Other CalPERS Plans

As of June 30, 2006

State Miscellaneous Tier 1

Attained Age	-- Years of Service at Valuation Date --							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	166	0	0	0	0	0	0	166	43,041
25-29	1,038	42	0	0	0	0	0	1,080	48,854
30-34	1,360	165	14	0	0	0	0	1,539	53,619
35-39	1,449	395	147	13	0	0	0	2,004	57,893
40-44	1,638	589	329	152	25	2	0	2,735	60,833
45-49	2,054	818	501	333	149	23	0	3,878	63,291
50-54	2,171	907	582	399	236	94	25	4,414	65,746
55-59	1,842	756	469	276	171	103	47	3,664	66,066
60-64	887	312	180	153	73	32	34	1,671	65,262
65 & Up	348	115	52	38	13	2	11	579	68,299
<b>Totals</b>	<b>12,953</b>	<b>4,099</b>	<b>2,274</b>	<b>1,364</b>	<b>667</b>	<b>256</b>	<b>117</b>	<b>21,730</b>	<b>\$ 62,178</b>

Distributions By Age and Service

Terminated Participants With Funds on Deposit

As of June 30, 2006

State Miscellaneous Tier 1

Attained Age	-- Years of Service at Valuation Date --							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	5	0	0	0	0	0	0	5	\$ 19,432
20-24	666	0	0	0	0	0	0	666	22,302
25-29	3,054	75	1	0	0	0	0	3,130	29,704
30-34	3,674	334	7	1	0	0	0	4,016	36,682
35-39	3,760	673	174	23	0	0	0	4,630	40,797
40-44	3,515	1,055	472	146	19	1	0	5,208	43,124
45-49	3,433	1,277	663	323	125	23	0	5,844	43,137
50-54	3,271	1,218	588	283	131	37	6	5,534	42,206
55-59	2,532	927	374	150	55	17	10	4,065	41,256
60-64	1,455	397	143	60	19	5	2	2,081	38,778
65 & Up	1,040	156	73	26	14	7	4	1,320	34,538
<b>Totals</b>	<b>26,405</b>	<b>6,112</b>	<b>2,495</b>	<b>1,012</b>	<b>363</b>	<b>90</b>	<b>22</b>	<b>36,499</b>	<b>\$ 39,682</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2006

## State Miscellaneous Tier 2

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	2	0	0	0	0	0	0	2	37,424
25-29	301	22	0	0	0	0	0	323	43,186
30-34	1,033	210	18	0	0	0	0	1,261	50,736
35-39	1,461	755	175	3	0	0	0	2,394	53,119
40-44	1,404	755	444	85	4	0	0	2,692	53,703
45-49	1,257	631	421	163	110	5	0	2,587	54,162
50-54	927	407	367	176	158	55	8	2,098	54,952
55-59	536	265	194	92	112	85	23	1,307	55,369
60-64	234	123	77	40	25	19	14	532	54,589
65 & Up	106	31	23	8	6	4	5	183	53,232
<b>Totals</b>	<b>7,261</b>	<b>3,199</b>	<b>1,719</b>	<b>567</b>	<b>415</b>	<b>168</b>	<b>50</b>	<b>13,379</b>	<b>\$ 53,538</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2006

## State Miscellaneous Tier 2

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	0	0	0	0	0	0	0	0	24,319
25-29	0	0	0	0	0	0	0	0	26,840
30-34	0	0	6	0	0	0	0	6	30,993
35-39	0	0	207	4	0	0	0	211	32,199
40-44	0	0	334	35	0	0	0	369	32,213
45-49	0	0	378	83	21	6	0	488	32,558
50-54	0	0	344	115	38	12	1	510	32,455
55-59	0	0	273	62	17	4	0	356	32,620
60-64	0	0	42	15	5	3	1	66	32,650
65 & Up	0	0	11	3	2	0	0	16	33,125
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>1,595</b>	<b>317</b>	<b>83</b>	<b>25</b>	<b>2</b>	<b>2,022</b>	<b>\$ 32,139</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2006

## State Industrial

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	20	0	0	0	0	0	0	20	32,228
25-29	198	10	0	0	0	0	0	208	40,309
30-34	419	76	4	0	0	0	0	499	46,610
35-39	697	180	45	0	0	0	0	922	51,052
40-44	809	287	71	25	1	0	0	1,193	54,935
45-49	1,005	298	107	30	6	0	0	1,446	56,525
50-54	989	329	132	50	16	1	1	1,518	60,286
55-59	661	194	83	27	11	1	1	978	62,196
60-64	263	87	29	12	5	0	0	396	63,131
65 & Up	100	45	15	7	0	0	0	167	80,477
<b>Totals</b>	<b>5,161</b>	<b>1,506</b>	<b>486</b>	<b>151</b>	<b>39</b>	<b>2</b>	<b>2</b>	<b>7,347</b>	<b>\$ 56,814</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2006

## State Industrial

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	14	0	0	0	0	0	0	14	23,619
25-29	139	6	0	0	0	0	0	145	27,704
30-34	225	30	2	0	0	0	0	257	30,701
35-39	349	65	19	0	0	0	0	433	33,454
40-44	317	59	24	2	2	0	0	404	33,800
45-49	286	88	27	11	4	1	0	417	36,480
50-54	258	70	16	3	4	0	1	352	36,522
55-59	182	42	7	0	2	0	0	233	37,404
60-64	118	18	3	1	1	1	0	142	38,508
65 & Up	114	16	1	0	0	0	0	131	39,122
<b>Totals</b>	<b>2,002</b>	<b>394</b>	<b>99</b>	<b>17</b>	<b>13</b>	<b>2</b>	<b>1</b>	<b>2,528</b>	<b>\$ 34,713</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2006

## State Safety

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	7	0	0	0	0	0	0	7	49,501
25-29	83	3	0	0	0	0	0	86	45,169
30-34	172	16	0	0	0	0	0	188	49,859
35-39	247	50	8	0	0	0	0	305	53,738
40-44	392	80	23	8	0	0	0	503	62,253
45-49	647	121	36	18	2	1	0	825	69,964
50-54	744	159	51	25	4	3	0	986	70,439
55-59	512	121	48	10	6	2	0	699	68,292
60-64	201	53	14	1	1	1	0	271	67,584
65 & Up	80	10	2	1	1	0	0	94	99,124
<b>Totals</b>	<b>3,085</b>	<b>613</b>	<b>182</b>	<b>63</b>	<b>14</b>	<b>7</b>	<b>0</b>	<b>3,964</b>	<b>\$ 66,561</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2006

## State Safety

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	25	0	0	0	0	0	0	25	30,296
25-29	110	1	0	0	0	0	0	111	35,728
30-34	227	28	2	0	0	0	0	257	44,863
35-39	321	49	5	0	0	0	0	375	46,510
40-44	337	67	11	5	0	0	0	420	48,091
45-49	484	99	29	10	0	1	0	623	48,848
50-54	426	87	14	9	0	0	0	536	50,491
55-59	322	53	16	8	0	0	0	399	51,580
60-64	176	24	3	1	0	0	0	204	51,045
65 & Up	110	4	2	0	0	1	0	117	55,439
<b>Totals</b>	<b>2,538</b>	<b>412</b>	<b>82</b>	<b>33</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>3,067</b>	<b>\$ 48,539</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2006

## State Peace Officers and Fire Fighters

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	12	0	0	0	0	0	0	12	\$ 29,634
20-24	514	0	0	0	0	0	0	514	33,734
25-29	1,185	9	0	0	0	0	0	1,194	50,126
30-34	1,307	59	1	0	0	0	0	1,367	60,915
35-39	1,382	120	18	0	0	0	0	1,520	67,346
40-44	1,294	152	60	9	3	0	0	1,518	72,629
45-49	953	144	84	23	12	0	0	1,216	73,868
50-54	680	119	90	36	19	2	1	947	78,104
55-59	313	57	34	12	19	6	7	448	78,768
60-64	73	20	8	1	2	2	4	110	77,091
65 & Up	28	2	4	2	0	1	1	38	73,514
<b>Totals</b>	<b>7,741</b>	<b>682</b>	<b>299</b>	<b>83</b>	<b>55</b>	<b>11</b>	<b>13</b>	<b>8,884</b>	<b>\$ 65,712</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2006

## State Peace Officers and Firefighters

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	3	0	0	0	0	0	0	3	\$ 29,550
20-24	363	0	0	0	0	0	0	363	31,611
25-29	920	8	0	0	0	0	0	928	33,939
30-34	864	68	4	0	0	0	0	936	36,141
35-39	892	129	30	3	0	0	0	1,054	36,783
40-44	655	146	63	33	6	0	0	903	39,035
45-49	456	167	86	45	22	1	0	777	44,690
50-54	262	74	41	21	13	1	0	412	42,284
55-59	131	42	13	8	0	0	0	194	41,436
60-64	36	9	8	2	0	0	2	57	41,880
65 & Up	21	0	1	0	0	0	0	22	32,511
<b>Totals</b>	<b>4,603</b>	<b>643</b>	<b>246</b>	<b>112</b>	<b>41</b>	<b>2</b>	<b>2</b>	<b>5,649</b>	<b>\$ 37,917</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2006

## California Highway Patrol

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	0	0	0	0	0	0	0	0	0
25-29	13	2	0	0	0	0	0	15	59,644
30-34	42	10	3	0	0	0	0	55	63,714
35-39	43	8	1	0	0	0	0	52	65,970
40-44	37	8	5	2	0	0	0	52	63,360
45-49	35	14	10	1	0	0	0	60	72,883
50-54	24	5	4	2	0	0	0	35	71,213
55-59	13	6	2	1	0	1	0	23	75,921
60-64	5	4	5	1	0	0	0	15	70,298
65 & Up	1	1	1	0	0	0	0	3	91,670
<b>Totals</b>	<b>213</b>	<b>58</b>	<b>31</b>	<b>7</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>310</b>	<b>\$ 67,952</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2006

## California Highway Patrol

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	0	0	0	0	0	0	0	0	\$ 0
20-24	1	0	0	0	0	0	0	1	58,199
25-29	12	3	0	0	0	0	0	15	59,005
30-34	33	20	2	0	0	0	0	55	59,475
35-39	47	19	11	0	0	0	0	77	55,753
40-44	31	14	10	10	1	0	0	66	52,702
45-49	16	20	17	4	8	2	0	67	53,298
50-54	8	14	3	1	1	0	0	27	42,632
55-59	4	4	2	0	1	0	0	11	40,450
60-64	1	0	0	0	0	0	0	1	92,016
65 & Up	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>153</b>	<b>94</b>	<b>45</b>	<b>15</b>	<b>11</b>	<b>2</b>	<b>0</b>	<b>320</b>	<b>\$ 53,890</b>

## Distributions By Age and Service

## Transfers to Other CalPERS Plans

As of June 30, 2006

## Schools

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	1	0	0	0	0	0	0	1	\$ 19,895
20-24	150	0	0	0	0	0	0	150	32,640
25-29	1,168	11	0	0	0	0	0	1,179	42,383
30-34	1,952	60	1	0	0	0	0	2,013	46,581
35-39	2,138	206	30	0	0	0	0	2,374	49,000
40-44	2,455	334	105	19	0	0	0	2,913	50,712
45-49	3,372	475	174	59	15	0	0	4,095	51,875
50-54	3,920	666	218	85	31	3	0	4,923	53,297
55-59	3,169	602	234	65	19	7	0	4,096	53,537
60-64	1,327	311	86	27	10	2	4	1,767	50,544
65 & Up	365	63	26	8	2	0	1	465	45,441
<b>Totals</b>	<b>20,017</b>	<b>2,728</b>	<b>874</b>	<b>263</b>	<b>77</b>	<b>12</b>	<b>5</b>	<b>23,976</b>	<b>\$ 50,769</b>

## Distributions By Age and Service

## Terminated Participants With Funds on Deposit

As of June 30, 2006

## Schools

Attained Age	--Years of Service at Valuation Date--							Totals	Average Salary
	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up		
15-19	26	0	0	0	0	0	0	26	\$ 23,690
20-24	2,856	0	0	0	0	0	0	2,856	24,712
25-29	14,360	28	0	0	0	0	0	14,388	27,562
30-34	17,049	235	4	0	0	0	0	17,288	29,273
35-39	15,892	812	99	2	0	0	0	16,805	29,609
40-44	15,993	1,167	362	45	3	0	0	17,570	29,328
45-49	18,235	1,559	612	236	59	0	0	20,701	29,793
50-54	17,154	2,124	790	273	104	18	0	20,463	30,028
55-59	12,149	1,684	578	172	54	15	3	14,655	29,388
60-64	6,325	870	251	61	28	4	2	7,541	28,620
65 & Up	4,466	339	108	35	12	6	2	4,968	26,570
<b>Totals</b>	<b>124,505</b>	<b>8,818</b>	<b>2,804</b>	<b>824</b>	<b>260</b>	<b>43</b>	<b>7</b>	<b>137,261</b>	<b>\$ 29,115</b>



## Retired Members and Beneficiaries

Number of Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

State Miscellaneous Tier 1

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	1	1	9	4	182	197
30-34	0	6	3	3	1	63	76
35-39	0	59	25	4	4	114	206
40-44	0	245	135	19	6	188	593
45-49	0	706	263	34	9	293	1,305
50-54	1,840	1,430	332	96	5	464	4,167
55-59	9,852	2,048	410	191	5	785	13,291
60-64	16,439	1,771	306	222	8	1,113	19,859
65-69	18,558	1,561	274	263	8	1,615	22,279
70-74	16,411	1,029	160	254	6	2,356	20,216
75-79	14,884	806	95	259	5	3,339	19,388
80-84	12,552	666	52	234	5	4,341	17,850
85 and Over	11,348	509	27	144	6	5,912	17,946
Total Retirees	101,884	10,837	2,083	1,732	72	20,765	137,373

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Miscellaneous Tier 1

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$3,786	\$65	\$31,570	\$28	\$1,088,240	\$1,123,689
30-34	0	40,347	592	68,515	22,378	408,392	540,224
35-39	0	506,710	68,912	8,442	144	1,085,840	1,670,048
40-44	0	2,367,521	205,448	359,852	56,862	1,791,024	4,780,707
45-49	0	7,615,789	621,006	641,478	92,598	3,155,613	12,126,484
50-54	19,842,157	18,220,001	631,935	1,586,783	3,116	6,015,380	46,299,372
55-59	214,059,507	27,036,958	1,103,522	3,433,984	80,161	12,606,337	258,320,469
60-64	438,628,130	24,103,552	1,124,462	4,600,172	4,624	23,217,100	491,678,040
65-69	514,531,964	21,793,702	954,392	5,793,804	10,461	34,181,658	577,265,981
70-74	439,405,298	13,256,593	453,018	5,650,146	7,814	49,555,146	508,328,015
75-79	382,850,951	9,752,087	274,698	5,459,205	7,475	65,025,489	463,369,905
80-84	270,420,514	7,942,792	115,982	4,845,734	4,897	73,674,958	357,004,877
85 and Over	203,240,547	5,692,205	80,829	3,022,650	99,042	81,742,133	293,877,406
<b>Total Benefits</b>	<b>\$2,482,979,068</b>	<b>\$138,332,043</b>	<b>\$5,634,861</b>	<b>\$35,502,335</b>	<b>\$389,600</b>	<b>\$353,547,310</b>	<b>\$3,016,385,217</b>

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

State Miscellaneous Tier 1

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	27,896	1,871	371	279	4	624	31,045
5-9	22,219	2,741	498	316	11	1,267	27,052
10-14	16,393	2,187	442	261	15	2,186	21,484
15-19	14,885	1,453	381	281	10	3,474	20,484
20-24	10,973	1,035	189	311	9	4,562	17,079
25-29	6,688	895	145	204	7	4,436	12,375
30 and Over	2,830	655	57	80	16	4,216	7,854
Total Retirees	101,884	10,837	2,083	1,732	72	20,765	137,373

Annual Allowance Amounts for Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Miscellaneous Tier 1

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$774,768,276	\$26,224,372	\$1,772,470	\$4,986,030	\$806	\$11,053,508	\$818,805,462
5-9	623,603,364	37,677,237	1,779,044	7,160,377	60,692	27,675,676	697,956,390
10-14	402,816,533	29,220,805	1,014,036	6,345,414	196,673	50,911,957	490,505,418
15-19	366,859,667	18,287,258	693,070	6,488,221	4,030	82,069,414	474,401,660
20-24	189,394,233	11,070,280	170,106	5,886,817	14,771	83,462,249	289,998,456
25-29	88,646,014	8,790,757	153,731	3,392,257	4,412	50,114,156	151,101,327
30 and Over	36,890,981	7,061,334	52,404	1,243,219	108,216	48,260,350	93,616,504
<b>Total Benefits</b>	<b>\$2,482,979,068</b>	<b>\$138,332,043</b>	<b>\$5,634,861</b>	<b>\$35,502,335</b>	<b>\$389,600</b>	<b>\$353,547,310</b>	<b>\$3,016,385,217</b>

## Number of Retirees and Beneficiaries

## By Age and Retirement Type

As of June 30, 2006

State Miscellaneous Tier 2

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	0	1	0	30	31
30-34	0	1	2	0	0	10	13
35-39	0	13	6	0	0	16	35
40-44	0	46	8	1	0	18	73
45-49	0	159	16	8	0	39	222
50-54	58	295	7	11	0	53	424
55-59	282	358	14	12	2	76	744
60-64	404	251	9	11	0	67	742
65-69	461	153	4	9	0	59	686
70-74	447	72	2	5	0	51	577
75-79	234	16	1	4	0	31	286
80-84	77	2	0	5	0	20	104
85 and Over	20	2	0	0	0	9	31
Total Retirees	1,983	1,368	69	67	2	479	3,968

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Miscellaneous Tier 2

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$0	\$3,684	\$0	\$149,375	\$153,059
30-34	0	5,982	42,430	0	0	67,999	116,411
35-39	0	123,916	113,330	0	0	58,981	296,227
40-44	0	441,892	158,954	6,417	0	194,328	801,591
45-49	0	1,690,888	295,757	66,467	0	343,275	2,396,387
50-54	145,851	3,552,141	87,165	112,700	0	493,944	4,391,801
55-59	1,063,642	4,439,976	257,499	60,843	39,519	758,563	6,620,042
60-64	2,062,632	3,110,221	125,261	129,912	0	673,799	6,101,825
65-69	3,108,116	2,021,885	36,799	74,574	0	526,305	5,767,679
70-74	3,800,413	852,770	40,944	79,131	0	561,994	5,335,252
75-79	2,407,750	182,102	26,347	110,545	0	315,519	3,042,263
80-84	700,488	29,674	0	115,275	0	181,159	1,026,596
85 and Over	142,974	4,736	0	0	0	58,048	205,758
<b>Total Benefits</b>	<b>\$13,431,866</b>	<b>\$16,456,183</b>	<b>\$1,184,486</b>	<b>\$759,548</b>	<b>\$39,519</b>	<b>\$4,383,289</b>	<b>\$36,254,891</b>

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

State Miscellaneous Tier 2

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	353	195	17	23	0	42	630
5-9	882	554	28	20	1	156	1,641
10-14	518	372	16	14	1	158	1,079
15-19	198	206	8	9	0	100	521
20-24	32	41	0	1	0	23	97
25-29	0	0	0	0	0	0	0
30 and Over	0	0	0	0	0	0	0
Total Retirees	1,983	1,368	69	67	2	479	3,968

## Annual Allowance Amounts for Retirees and Beneficiaries

## By Years Retired and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Miscellaneous Tier 2

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$1,382,286	\$1,882,616	\$247,600	\$159,153	\$0	\$325,350	\$3,997,005
5-9	5,522,288	6,226,982	442,498	215,621	26,969	1,158,811	13,593,169
10-14	4,668,831	5,062,622	347,169	279,434	12,550	1,738,965	12,109,571
15-19	1,654,896	2,813,503	147,219	90,343	0	995,792	5,701,753
20-24	203,565	470,460	0	14,997	0	164,371	853,393
25-29	0	0	0	0	0	0	0
30 and Over	0	0	0	0	0	0	0
<b>Total Benefits</b>	<b>\$13,431,866</b>	<b>\$16,456,183</b>	<b>\$1,184,486</b>	<b>\$759,548</b>	<b>\$39,519</b>	<b>\$4,383,289</b>	<b>\$36,254,891</b>



## Number of Retirees and Beneficiaries

## By Age and Retirement Type

As of June 30, 2006

State Industrial

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	1	1	0	18	20
30-34	0	2	0	0	0	7	9
35-39	0	14	8	0	0	2	24
40-44	0	43	20	1	0	8	72
45-49	0	101	48	5	1	16	171
50-54	187	172	74	4	0	32	469
55-59	857	223	62	8	0	49	1,199
60-64	1,160	162	54	14	1	56	1,447
65-69	942	122	38	11	2	64	1,179
70-74	717	68	28	9	3	61	886
75-79	551	44	12	8	4	89	708
80-84	370	23	10	6	9	143	561
85 and Over	273	9	14	1	4	150	451
Total Retirees	5,057	983	369	68	24	695	7,196

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Industrial

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$58	\$2,240	\$0	\$34,329	\$36,627
30-34	0	3,495	0	0	0	17,843	21,338
35-39	0	79,183	39,005	0	0	9,616	127,804
40-44	0	343,652	94,917	7,495	0	30,001	476,065
45-49	0	687,290	74,753	10,561	2,982	109,734	885,320
50-54	1,070,602	1,133,358	352,792	35,186	0	194,756	2,786,694
55-59	7,899,108	1,583,914	308,744	50,468	0	302,710	10,144,944
60-64	12,096,178	1,206,611	315,197	150,584	22,212	575,527	14,366,309
65-69	11,091,721	1,003,834	149,175	147,928	1,295	563,463	12,957,416
70-74	8,947,152	702,383	176,545	87,055	79,708	699,352	10,692,195
75-79	7,823,749	441,647	140,596	94,508	128,002	1,112,390	9,740,892
80-84	5,421,993	246,265	242,873	132,634	315,535	1,751,562	8,110,862
85 and Over	4,567,399	123,120	337,298	44,365	148,554	1,873,547	7,094,283
Total Benefits	\$58,917,902	\$7,554,752	\$2,231,953	\$763,024	\$698,288	\$7,274,830	\$77,440,749

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

State Industrial

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	2,035	274	106	19	1	49	2,484
5-9	1,340	333	105	16	1	88	1,883
10-14	716	198	65	14	0	107	1,100
15-19	462	107	48	11	0	107	735
20-24	311	44	20	7	1	110	493
25-29	163	21	7	1	2	135	329
30 and Over	30	6	18	0	19	99	172
Total Retirees	5,057	983	369	68	24	695	7,196

## Annual Allowance Amounts for Retirees and Beneficiaries

## By Years Retired and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Industrial

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$23,330,376	\$2,115,563	\$451,359	\$175,015	\$2,982	\$339,705	\$26,415,000
5-9	15,359,898	2,490,512	560,114	150,760	64	895,283	19,456,631
10-14	7,961,038	1,511,228	333,287	167,081	0	849,933	10,822,567
15-19	5,904,170	802,641	221,861	164,576	0	1,402,106	8,495,354
20-24	3,993,500	343,615	220,230	61,227	1,231	1,457,986	6,077,789
25-29	1,981,723	217,875	43,836	44,365	73,133	1,317,520	3,678,452
30 and Over	387,197	73,318	401,266	0	620,878	1,012,297	2,494,956
Total Benefits	\$58,917,902	\$7,554,752	\$2,231,953	\$763,024	\$698,288	\$7,274,830	\$77,440,749

Number of Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

State Safety

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	2	4	0	21	27
30-34	0	0	11	0	0	13	24
35-39	0	4	37	0	0	12	53
40-44	0	18	93	1	1	12	125
45-49	0	36	210	8	3	32	289
50-54	307	74	421	20	14	51	887
55-59	1,388	109	728	34	10	93	2,362
60-64	1,714	95	604	24	9	150	2,596
65-69	1,378	74	450	25	14	170	2,111
70-74	964	41	323	17	19	251	1,615
75-79	729	31	237	9	18	366	1,390
80-84	537	28	159	16	21	405	1,166
85 and Over	365	13	74	3	6	375	836
<b>Total Retirees</b>	<b>7,382</b>	<b>523</b>	<b>3,349</b>	<b>161</b>	<b>115</b>	<b>1,951</b>	<b>13,481</b>

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Safety

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$36,129	\$46,955	\$0	\$153,655	\$236,739
30-34	0	0	195,940	0	0	71,376	267,316
35-39	0	16,454	620,988	0	0	39,953	677,395
40-44	0	105,176	1,849,337	3,489	39,502	106,555	2,104,059
45-49	0	209,453	3,688,850	78,568	27,586	297,090	4,301,547
50-54	2,125,943	415,221	7,611,978	270,292	336,439	575,267	11,335,140
55-59	18,478,590	612,403	13,070,427	381,473	172,839	1,079,073	33,794,805
60-64	22,376,087	847,494	11,451,232	266,882	202,731	1,901,503	37,045,929
65-69	19,073,633	658,063	9,254,340	339,854	330,542	1,911,917	31,568,349
70-74	12,398,313	378,816	7,163,496	333,376	435,245	3,062,089	23,771,335
75-79	9,654,549	409,316	5,039,511	155,604	453,913	4,592,768	20,305,661
80-84	9,424,497	274,814	3,505,948	202,135	518,311	5,048,125	18,973,830
85 and Over	6,731,724	184,349	1,680,371	49,309	216,973	4,672,453	13,535,179
Total Benefits	\$100,263,336	\$4,111,559	\$65,168,547	\$2,127,937	\$2,734,081	\$23,511,824	\$197,917,284

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

State Safety

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	3,286	141	692	61	3	97	4,280
5-9	1,867	181	693	35	13	152	2,941
10-14	806	83	406	24	1	157	1,477
15-19	415	39	334	12	9	151	960
20-24	442	23	532	15	17	355	1,384
25-29	442	38	529	12	39	590	1,650
30 and Over	124	18	163	2	33	449	789
Total Retirees	7,382	523	3,349	161	115	1,951	13,481

## Annual Allowance Amounts for Retirees and Beneficiaries

## By Years Retired and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Safety

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$47,014,645	\$1,269,721	\$13,960,504	\$715,385	\$66,572	\$1,276,450	\$64,303,277
5-9	22,502,736	1,396,341	14,079,831	453,199	233,319	1,752,032	40,417,458
10-14	8,362,187	493,686	7,811,969	343,625	12,660	1,472,372	18,496,499
15-19	4,841,292	164,697	5,875,024	154,932	186,000	1,755,958	12,977,903
20-24	6,992,029	227,329	9,911,154	221,119	330,772	5,107,968	22,790,371
25-29	8,037,094	401,559	10,283,599	230,925	980,669	6,961,659	26,895,505
30 and Over	2,513,353	158,226	3,246,466	8,752	924,089	5,185,385	12,036,271
Total Benefits	\$100,263,336	\$4,111,559	\$65,168,547	\$2,127,937	\$2,734,081	\$23,511,824	\$197,917,284



Number of Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

State Peace Officers and Firefighters

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	11	4	6	47	68
30-34	0	1	83	0	2	8	94
35-39	0	9	337	2	6	17	371
40-44	0	33	734	4	14	18	803
45-49	0	57	1,065	16	17	50	1,205
50-54	953	68	1,143	19	16	89	2,288
55-59	2,611	68	1,349	38	18	135	4,219
60-64	2,455	64	966	32	14	145	3,676
65-69	1,641	37	503	15	7	184	2,387
70-74	1,002	22	238	13	7	167	1,449
75-79	607	16	112	3	2	126	866
80-84	234	2	32	2	0	66	336
85 and Over	24	1	4	0	0	12	41
Total Retirees	9,527	378	6,577	148	109	1,064	17,803

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Peace Officers and Firefighters

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$218,670	\$43,613	\$69,792	\$497,857	\$829,932
30-34	0	6,464	2,093,653	0	60,915	73,248	2,234,280
35-39	0	85,690	8,694,258	53,442	160,343	306,793	9,300,526
40-44	0	440,276	19,673,196	80,705	396,711	284,191	20,875,079
45-49	0	747,342	28,619,184	584,846	541,642	959,189	31,452,203
50-54	43,272,215	906,132	31,968,337	572,089	391,612	2,032,647	79,143,032
55-59	120,328,078	1,228,766	44,286,974	1,147,448	559,602	4,078,237	171,629,105
60-64	107,561,777	1,272,095	32,286,896	1,060,510	434,612	3,982,871	146,598,761
65-69	63,817,407	864,339	16,528,444	451,466	172,040	5,565,851	87,399,547
70-74	35,636,942	489,488	7,602,528	331,840	226,573	4,808,395	49,095,766
75-79	19,355,390	349,722	3,247,369	90,768	107,083	3,336,431	26,486,763
80-84	6,866,804	61,760	946,394	61,111	0	1,698,845	9,634,914
85 and Over	564,417	8,253	104,841	0	0	281,963	959,474
Total Benefits	\$397,403,030	\$6,460,327	\$196,270,744	\$4,477,838	\$3,120,925	\$27,906,518	\$635,639,382

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

State Peace Officers and Firefighters

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	4,163	96	1,723	49	26	89	6,146
5-9	2,660	149	2,026	51	32	178	5,096
10-14	1,338	78	1,432	28	14	229	3,119
15-19	914	42	1,081	16	18	310	2,381
20-24	452	12	313	4	19	256	1,056
25-29	0	1	2	0	0	1	4
30 and Over	0	0	0	0	0	1	1
Total Retirees	9,527	378	6,577	148	109	1,064	17,803

## Annual Allowance Amounts for Retirees and Beneficiaries

## By Years Retired and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

State Peace Officers and Firefighters

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$189,456,702	\$1,727,644	\$57,219,114	\$1,412,528	\$692,026	\$2,320,102	\$252,828,116
5-9	110,986,879	2,469,476	62,212,126	1,541,946	912,123	4,895,811	183,018,361
10-14	49,478,245	1,322,083	42,382,917	959,084	502,883	6,211,726	100,856,938
15-19	33,778,259	706,810	27,535,586	417,648	568,413	8,314,478	71,321,194
20-24	13,702,945	233,672	6,920,801	146,632	445,480	6,145,815	27,595,345
25-29	0	642	200	0	0	6,679	7,521
30 and Over	0	0	0	0	0	11,907	11,907
Total Benefits	\$397,403,030	\$6,460,327	\$196,270,744	\$4,477,838	\$3,120,925	\$27,906,518	\$635,639,382

Number of Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

California Highway Patrol

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	0	0	0	12	8	20
30-34	0	0	8	0	0	5	13
35-39	0	1	36	1	7	1	46
40-44	0	1	118	0	8	4	131
45-49	0	6	224	1	14	9	254
50-54	181	4	254	5	6	17	467
55-59	364	7	469	8	14	56	918
60-64	646	6	889	4	17	91	1,653
65-69	400	8	739	3	18	116	1,284
70-74	240	4	452	0	16	154	866
75-79	175	5	282	5	4	151	622
80-84	122	2	120	0	6	133	383
85 and Over	101	1	37	3	9	178	329
Total Retirees	2,229	45	3,628	30	131	923	6,986

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

California Highway Patrol

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$0	\$0	\$0	\$142,279	\$63,766	\$206,045
30-34	0	0	274,098	0	0	8,840	282,938
35-39	0	6,054	1,176,227	30,092	336,973	1,856	1,551,202
40-44	0	7,213	3,430,853	0	392,459	79,087	3,909,612
45-49	0	94,375	6,331,573	53,412	627,253	340,974	7,447,587
50-54	11,931,475	38,247	9,724,830	291,792	245,355	420,387	22,652,086
55-59	21,483,917	272,712	23,186,256	400,349	358,666	1,317,585	47,019,485
60-64	29,044,222	154,420	39,273,503	154,840	493,441	2,215,993	71,336,419
65-69	16,053,365	82,510	25,592,217	88,306	473,167	2,548,313	44,837,878
70-74	8,522,462	77,517	14,723,293	0	516,733	3,474,926	27,314,931
75-79	5,260,048	100,080	8,831,167	99,791	159,768	2,897,909	17,348,763
80-84	3,680,472	58,726	3,355,586	0	201,045	2,284,688	9,580,517
85 and Over	3,254,701	970	1,101,345	61,542	413,668	2,961,025	7,793,251
Total Benefits	\$99,230,662	\$892,824	\$137,000,948	\$1,180,124	\$4,360,807	\$18,615,349	\$261,280,714

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

California Highway Patrol

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	567	7	514	3	14	10	1,115
5-9	656	8	626	10	12	45	1,357
10-14	391	8	662	5	16	54	1,136
15-19	204	5	578	3	10	92	892
20-24	168	5	510	3	13	166	865
25-29	152	6	412	4	18	176	768
30 and Over	91	6	326	2	48	380	853
Total Retirees	2,229	45	3,628	30	131	923	6,986

Annual Allowance Amounts for Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

California Highway Patrol

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$33,907,494	\$331,791	\$31,934,309	\$198,910	\$533,062	\$394,807	\$67,300,373
5-9	29,836,430	152,894	31,863,742	525,308	417,127	1,373,326	64,168,827
10-14	15,679,592	85,099	25,584,514	199,843	554,406	1,710,995	43,814,449
15-19	7,243,894	88,750	18,586,083	88,306	382,644	2,708,526	29,098,203
20-24	5,254,439	89,309	12,898,647	37,297	343,433	3,916,432	22,539,557
25-29	4,413,689	81,124	8,939,945	93,514	430,719	2,926,788	16,885,779
30 and Over	2,895,124	63,857	7,193,708	36,946	1,699,416	5,584,475	17,473,526
Total Benefits	\$99,230,662	\$892,824	\$137,000,948	\$1,180,124	\$4,360,807	\$18,615,349	\$261,280,714



## Number of Retirees and Beneficiaries

## By Age and Retirement Type

As of June 30, 2006

## Schools

**Type of Retirement Benefit**

Retiree Age	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
29-33	0	1	0	2	0	137	140
30-34	0	5	3	1	0	54	63
35-39	0	40	15	2	1	107	165
40-44	0	186	31	3	1	180	401
45-49	0	564	63	6	1	297	931
50-54	1,725	1,367	99	32	3	382	3,608
55-59	10,167	2,037	173	77	1	724	13,179
60-64	19,580	2,139	107	75	2	986	22,889
65-69	24,450	1,954	68	82	4	1,495	28,053
70-74	22,640	1,342	26	65	2	2,251	26,326
75-79	19,441	1,030	28	62	1	3,358	23,920
80-84	15,895	791	10	35	0	4,162	20,893
85 and Over	13,271	548	4	29	1	5,405	19,258
Total Retirees	127,169	12,004	627	471	17	19,538	159,826

Annual Allowance Amounts for

Retirees and Beneficiaries

By Age and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

Schools

Retiree Age	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 30	\$0	\$3,319	\$0	\$12,526	\$0	\$655,330	\$671,175
30-34	0	28,364	917	5,226	0	320,951	355,458
35-39	0	263,305	7,068	11,589	96	543,655	825,713
40-44	0	1,471,249	12,448	12,757	449	985,997	2,482,900
45-49	0	4,848,260	39,726	31,574	436	1,875,480	6,795,476
50-54	11,451,194	12,877,704	82,620	192,158	2,685	2,683,185	27,289,546
55-59	129,337,344	19,496,419	256,949	455,991	1,000	5,193,389	154,741,092
60-64	282,013,103	20,440,916	200,121	479,991	2,851	8,889,604	312,026,586
65-69	331,815,647	17,215,052	104,836	450,906	2,006	13,211,398	362,799,845
70-74	264,898,440	10,613,756	138,287	379,340	106	18,776,380	294,806,309
75-79	203,480,714	7,423,103	16,115	362,712	223	25,540,308	236,823,175
80-84	145,113,288	5,170,492	10,738	155,300	0	28,879,912	179,329,730
85 and Over	107,428,754	3,442,008	14,186	168,329	1,250	29,990,295	141,044,822
Total Benefits	\$1,475,538,484	\$103,293,947	\$884,011	\$2,718,399	\$11,102	\$137,545,884	\$1,719,991,827

Number of Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

Schools

**Type of Retirement Benefit**

Years Retired	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	Total
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	36,040	2,118	173	187	3	739	39,260
5-9	27,782	3,149	150	101	0	1,683	32,685
10-14	22,696	2,618	118	52	1	2,563	28,048
15-19	17,315	1,631	74	61	5	3,430	22,516
20-24	12,798	908	60	28	3	4,271	18,068
25-29	7,762	979	43	23	4	3,951	12,762
30 and Over	2,776	601	9	19	1	2,901	6,307
Total Retirees	127,169	12,004	627	471	17	19,538	159,826

Annual Allowance Amounts for Retirees and Beneficiaries

By Years Retired and Retirement Type

As of June 30, 2006

Annual Amounts not Including PPPA Payments

Schools

Years Retired	Type of Retirement Benefit						Total
	Service Retiree	Disability Retiree		Death In Service		Death After Retirement	
		Non-industrial	Industrial	Non-industrial	Industrial		
Under 5 Yrs	\$544,505,448	\$22,558,179	\$391,387	\$1,184,877	\$767	\$7,579,696	\$576,220,354
5-9	354,557,114	29,305,103	177,833	607,124	0	14,560,247	399,207,421
10-14	244,974,996	22,781,157	177,669	250,443	2,847	22,306,333	290,493,445
15-19	166,413,014	13,311,980	69,716	378,265	4,440	28,899,535	209,076,950
20-24	97,826,453	5,850,750	47,606	99,337	1,451	31,259,971	135,085,568
25-29	48,833,736	5,872,122	18,194	85,231	347	18,957,788	73,767,418
30 and Over	18,427,723	3,614,656	1,606	113,122	1,250	13,982,314	36,140,671
<b>Total Benefits</b>	<b>\$1,475,538,484</b>	<b>\$103,293,947</b>	<b>\$884,011</b>	<b>\$2,718,399</b>	<b>\$11,102</b>	<b>\$137,545,884</b>	<b>\$1,719,991,827</b>

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2006

## State Miscellaneous Tier 1

Year Retired	Total Retirees	Total Benefits	Average Benefits
2006	2,281	\$ 53,114,718	\$ 23,286
2005	7,405	197,333,039	26,649
2004	9,080	248,082,339	27,322
2003	6,187	158,621,089	25,638
2002	6,092	161,654,277	26,536
2001	6,245	184,648,083	29,567
2000	8,363	247,513,586	29,596
1999	3,121	59,116,135	18,941
1998	4,622	101,210,860	21,898
1997	4,701	105,467,726	22,435
1996	4,457	102,766,467	23,057
1995	4,222	97,748,101	23,152
1994	4,271	98,338,315	23,025
1993	3,281	60,899,912	18,561
1992	5,253	130,752,623	24,891
1991	6,108	175,606,651	28,750
1990	3,419	75,086,743	21,962
1989	3,220	62,324,277	19,355
1988	3,612	77,067,886	21,337
1987	4,125	84,316,103	20,440
1986	3,399	64,594,204	19,004
1985	3,524	59,581,073	16,907
1984	3,038	47,482,185	15,629
1983	4,117	72,095,488	17,512
1982	3,001	46,245,506	15,410
1981	2,845	34,564,356	12,149
1980	2,991	36,934,540	12,349
1979	2,263	26,738,105	11,815
1978	2,281	28,211,878	12,368
1977	1,995	24,652,448	12,357
1976 & Earlier	7,854	93,616,504	11,920
Totals	137,373	\$ 3,016,385,217	\$ 21,957

<sup>1</sup> The numbers for 2006 are for the first 6 months of the calendar year only.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2006

## State Miscellaneous Tier 2

Year Retired	Total Retirees	Total Benefits	Average Benefits
2006	41	\$ 218,039	\$ 5,318
2005	142	831,838	5,858
2004	129	786,859	6,100
2003	142	995,519	7,011
2002	176	1,164,750	6,618
2001	229	1,294,969	5,655
2000	287	2,081,598	7,253
1999	322	2,607,968	8,099
1998	415	3,665,611	8,833
1997	388	3,943,023	10,162
1996	319	3,306,636	10,366
1995	264	3,049,461	11,551
1994	182	2,212,303	12,156
1993	165	1,940,369	11,760
1992	149	1,600,802	10,744
1991	158	1,900,375	12,028
1990	88	919,612	10,450
1989	108	1,224,871	11,341
1988	100	1,041,136	10,411
1987	67	615,759	9,190
1986	59	545,472	9,245
1985	38	307,921	8,103
1984	0	0	0
1983	0	0	0
1982	0	0	0
1981	0	0	0
1980	0	0	0
1979	0	0	0
1978	0	0	0
1977	0	0	0
1976 & Earlier	0	0	0
Totals	3,968	\$ 36,254,891	\$ 9,137

<sup>1</sup> The numbers for 2006 are for the first 6 months of the calendar year only.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2006

## State Industrial

Year Retired	Total Retirees	Total Benefits	Average Benefits
2006	225	\$ 2,140,247	\$ 9,512
2005	567	6,515,965	11,492
2004	719	7,669,259	10,667
2003	493	5,133,638	10,413
2002	480	4,955,891	10,325
2001	452	5,348,796	11,834
2000	596	6,974,164	11,702
1999	211	1,768,452	8,381
1998	323	2,639,317	8,171
1997	301	2,725,902	9,056
1996	256	2,242,237	8,759
1995	236	2,146,176	9,094
1994	208	1,976,721	9,503
1993	172	1,582,344	9,200
1992	228	2,875,089	12,610
1991	219	3,095,081	14,133
1990	131	1,136,358	8,674
1989	149	1,331,092	8,934
1988	102	1,095,789	10,743
1987	134	1,837,034	13,709
1986	82	1,149,580	14,019
1985	109	1,400,273	12,847
1984	85	916,237	10,779
1983	126	1,479,575	11,743
1982	91	1,132,124	12,441
1981	79	842,528	10,665
1980	85	894,575	10,524
1979	73	833,536	11,418
1978	47	520,067	11,065
1977	45	587,746	13,061
1976 & Earlier	172	2,494,956	14,506
Totals	7,196	\$ 77,440,749	\$ 10,762

<sup>1</sup> The numbers for 2006 are for the first 6 months of the calendar year only.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2006

## State Safety

Year Retired	Total Retirees	Total Benefits	Average Benefits
2006	397	\$ 5,656,556	\$ 14,248
2005	1,086	16,080,340	14,807
2004	1,154	17,662,281	15,305
2003	850	13,102,692	15,415
2002	793	11,801,408	14,882
2001	739	11,016,940	14,908
2000	914	13,899,569	15,207
1999	417	4,967,395	11,912
1998	459	5,274,817	11,492
1997	412	5,258,737	12,764
1996	356	4,396,888	12,351
1995	301	3,389,548	11,261
1994	313	3,583,179	11,448
1993	211	2,821,861	13,374
1992	296	4,305,023	14,544
1991	277	3,593,565	12,973
1990	180	2,358,724	13,104
1989	196	2,726,855	13,913
1988	140	1,875,353	13,395
1987	167	2,423,406	14,511
1986	127	1,848,645	14,556
1985	184	2,628,073	14,283
1984	252	3,908,447	15,510
1983	441	7,949,322	18,026
1982	380	6,455,884	16,989
1981	401	6,293,163	15,694
1980	371	6,206,375	16,729
1979	326	5,310,788	16,291
1978	302	5,212,920	17,261
1977	250	3,872,259	15,489
1976 & Earlier	789	12,036,271	15,255
Totals	13,481	\$ 197,917,284	\$ 14,681

<sup>1</sup> The numbers for 2006 are for the first 6 months of the calendar year only.



## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2006

## State Peace Officers and Firefighters

Year Retired	Total Retirees	Total Benefits	Average Benefits
2006	827	\$ 39,397,458	\$ 47,639
2005	1,184	52,154,614	44,050
2004	1,428	57,865,642	40,522
2003	1,227	48,629,497	39,633
2002	1,372	54,780,905	39,928
2001	1,269	49,572,690	39,064
2000	1,808	71,875,013	39,754
1999	622	17,044,936	27,403
1998	734	20,778,986	28,309
1997	771	23,746,736	30,800
1996	712	23,678,109	33,256
1995	627	20,862,269	33,273
1994	571	17,092,928	29,935
1993	533	16,630,235	31,201
1992	676	22,593,397	33,422
1991	663	23,982,413	36,173
1990	366	9,850,001	26,913
1989	412	11,194,792	27,172
1988	407	11,238,311	27,613
1987	533	15,055,677	28,247
1986	423	10,942,630	25,869
1985	342	8,657,370	25,314
1984	291	7,995,345	27,475
1983	0	0	0
1982	0	0	0
1981	1	66	66
1980	1	134	134
1979	0	0	0
1978	1	6,679	6,679
1977	1	642	642
1976 & Earlier	1	11,907	11,907
Totals	17,803	\$ 635,639,382	\$ 35,704

<sup>1</sup> The numbers for 2006 are for the first 6 months of the calendar year only.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2006

## California Highway Patrol

Year Retired	Total Retirees	Total Benefits	Average Benefits
2006	115	\$ 7,171,416	\$ 62,360
2005	312	21,047,241	67,459
2004	252	14,951,759	59,332
2003	175	9,139,148	52,224
2002	261	14,990,809	57,436
2001	303	17,727,336	58,506
2000	475	22,870,208	48,148
1999	146	5,885,305	40,310
1998	193	7,875,913	40,808
1997	240	9,810,065	40,875
1996	268	11,930,036	44,515
1995	240	9,731,696	40,549
1994	187	6,804,905	36,390
1993	248	9,062,117	36,541
1992	193	6,285,695	32,568
1991	215	7,698,791	35,808
1990	145	4,598,795	31,716
1989	183	5,752,188	31,433
1988	193	6,329,634	32,796
1987	156	4,718,795	30,249
1986	181	5,179,648	28,617
1985	150	4,160,005	27,733
1984	151	4,113,877	27,244
1983	182	4,365,206	23,985
1982	201	4,720,821	23,487
1981	198	4,263,688	21,534
1980	151	3,116,141	20,637
1979	143	3,170,733	22,173
1978	144	3,333,705	23,151
1977	132	3,001,512	22,739
1976 & Earlier	853	17,473,526	20,485
Totals	6,986	\$261,280,714	37,401

<sup>1</sup> The numbers for 2006 are for the first 6 months of the calendar year only.

## Retirees and Beneficiaries

## Number Counts and Benefits

## By Year of Retirement

As of June 30, 2006

## Schools

Year Retired	Total Retirees	Total Benefits	Average Benefits
2006	3,397	\$ 43,780,236	\$ 12,888
2005	8,946	129,186,150	14,441
2004	9,352	135,107,805	14,447
2003	9,948	151,976,620	15,421
2002	7,710	116,169,543	15,067
2001	6,918	101,325,846	14,647
2000	8,792	121,789,996	13,852
1999	5,143	52,848,104	10,276
1998	6,120	64,977,847	10,617
1997	5,799	58,265,628	10,048
1996	5,670	56,824,059	10,022
1995	5,874	59,184,269	10,076
1994	5,505	56,701,503	10,300
1993	5,576	60,362,519	10,825
1992	5,423	57,421,095	10,588
1991	5,182	53,629,960	10,349
1990	4,566	42,900,700	9,396
1989	4,473	40,835,601	9,129
1988	4,270	38,031,541	8,907
1987	4,025	33,679,148	8,367
1986	3,757	29,484,821	7,848
1985	3,443	23,606,552	6,856
1984	2,806	17,721,333	6,316
1983	5,147	43,886,382	8,527
1982	2,915	20,386,480	6,994
1981	2,964	17,020,416	5,742
1980	2,748	16,148,280	5,876
1979	2,569	14,404,999	5,607
1978	2,413	14,037,884	5,818
1977	2,068	12,155,839	5,878
1976 & Earlier	6,307	36,140,671	5,730
Totals	159,826	\$ 1,719,991,827	\$ 10,762

<sup>1</sup> The numbers for 2006 are for the first 6 months of the calendar year only.

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## Actuarial Methods

### FUNDING METHOD

The actuarial funding method used for this report is the Individual Entry Age Normal Cost Method. Under this method, projected benefits are determined for all members and the associated liabilities are spread in a manner that produces level annual cost as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost.

The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years. The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for members entitled to deferred benefits, is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the actuarial value of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payroll. Beginning July 1, 2000, all State and Schools plans became subject to the amortization methods prescribed in Actuarial Policy ACT-96-05E, described below.

Actuarial Policy ACT-96-05E specifies that all changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20-year period. In addition, all gains or losses are tracked and the net unamortized gain or loss is amortized as a rolling 30-year amortization. Also, if a plan's accrued liability exceeds the actuarial value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30-year amortization of the unfunded liability. Finally, all plans are subject to a minimum employer contribution rate equal to the employer normal cost plus a 30-year amortization of surplus, if any.

An exception to the funding rules above is used whenever the application of such rules results in inconsistencies. In these cases a "fresh start" approach is used. This simply means that the current total unfunded actuarial liability/surplus is projected and amortized over a set number of years. This fresh start approach generally occurs when a total negative rate would result or a positive payment would be required on a negative unfunded actuarial liability (or conversely a negative payment on a positive unfunded actuarial liability). When the fresh start is being used to avoid a negative total rate and the surplus is sufficient to offset at least 30 years of normal cost payments, the amortization period equals the number of years that the rate is projected to be zero. In addition, a fresh start may be used whenever the Chief Actuary feels that it would be better achieve the intent of the Board's funding policy.

By State statute for California Highway Patrol only, a portion of the assets in excess of the Entry Age Normal accrued liability can be applied as a direct offset to required employer and employee contributions.

The 1959 Survivor Program valuation is not provided in this report. A separate report for that program is available.

The Term Insurance Method is used for the State Group Term Life Insurance Program. The required contribution for the coming fiscal year is the difference between the reserves for that benefit and one and one-half times the expected benefit payments, but not less than zero.

## DATA EXTRACT

The June 30, 2006 actuarial valuation used the same data extract programs as used in the prior year.

## PURCHASING POWER PROTECTION ACT (PPPA) METHOD

PPPA benefits are cost-of-living adjustments intended to maintain the individual's current retirement benefit at 75% of the original benefit at retirement adjusted for inflation since retirement. The PPPA benefit is paid, if necessary, in addition to any other cost-of-living adjustment provided under the terms of the plan. Prior to January 1, 2001, there was a single PPPA pool covering all CalPERS employers. However, commencing January 1, 2001, separate PPPA pools were established. A pool was set up for all State plans and a separate pool for School employers. The public agencies were removed entirely from PPPA pooling resulting in each public agency plan paying for its own PPPA benefits. The creation of separate pools effectively eliminates the cross subsidization between the State, Schools and public agencies. Because there is a single PPPA pool for all State plans, cross subsidization between State plans still occurs.

For the State and Schools plans, the total annual outlay for PPPA benefits is limited by State statute to earnings of up to 1.1% of accumulated member contributions. If this annual outlay is insufficient to provide the PPPA benefits in a given fiscal year, the 75% maintenance target would be proportionately reduced. Since the inception of the PPPA benefit program, 1.1% has proved more than sufficient to provide the 75% maintenance. Under the inflation assumption of 3% compounded annually, the 1.1% appears to remain more than sufficient in the foreseeable future.

The actuarial model mimics the PPPA administrative procedure by deriving the employer contribution rate for the plan as the lesser of two separate actuarially computed rates:

- 1) The rate that results if a full 1.1% investment return on the actuarial value of each future year's employee assets in the plan is used for that plan's PPPA payments; or
- 2) The rate that results if the plan pays the full 75% purchasing power for itself.

In this way, those plans for which future PPPA costs equal or exceed a 1.1% return on current and future employee assets are charged an employer rate that replaces the 1.1% return on employee assets. Those plans that require less than the 1.1% return on current and future employee assets to maintain 75% purchasing power are charged the rate necessary to maintain the 75% purchasing power. It must be noted that nothing is charged in the rates for any cross-subsidization. That is, the model assumes that cross subsidization for PPPA for State plans will remain so small that it can be ignored.

## INTERNAL REVENUE CODE SECTION 415

The limitations on benefits imposed by Internal Revenue Code Section 415 were not taken into account in this valuation. The effect of these limitations has been deemed immaterial on the overall results of this valuation.

## ASSET VALUATION METHOD

In order to dampen the effect of short-term market value fluctuations on employer contribution rates, the following asset smoothing technique is used. First an Expected Value of Assets would be computed by bringing forward the prior year's Actuarial Value of Assets and the contributions received and benefits paid during the year at the assumed actuarial rate of return. The Actuarial Value of Assets would then be computed as the Expected Value of Assets plus one-fifteenth of the difference between the actual Market Value of Assets and the Expected Value of Assets as of the valuation date. Finally, the Actuarial Value of Assets is restricted to no less than 80% and no more than 120% of the Market Value of Assets.

## ACCOUNTS RECEIVABLE

In preparing valuations and setting employer contribution rates, the asset figures used include accounts receivable. The CalPERS Actuarial Office assumes that all assets are accruing interest at the actuarially-assumed rate. Therefore, the rates depicted assume that all payments have been made and are accruing interest.

## Actuarial Assumptions Applicable to All Plans

### ECONOMIC ASSUMPTIONS:

#### *Investment Return*

- 7.75% compounded annually (net of administrative expenses).

#### *Salary Growth*

- Annual increases vary by entry age and service. See sample rates in table below.

Duration of Service	Annual Percentage Increase					
	State Miscellaneous Tier 1 & Tier 2			Industrial		
	Entry Age			Entry Age		
	20	30	40	20	30	40
0	13.35%	10.95%	8.25%	9.55%	8.85%	8.25%
3	8.95%	8.05%	6.55%	8.15%	7.75%	7.35%
5	7.25%	6.75%	5.85%	7.35%	7.15%	6.95%
10	4.95%	4.85%	4.45%	6.05%	5.85%	5.75%
15	4.25%	4.15%	3.95%	5.15%	5.05%	4.95%
20	3.85%	3.85%	3.75%	4.55%	4.45%	4.35%
25	3.55%	3.55%	3.45%	3.85%	3.85%	3.85%
30	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

Duration of Service	Safety			POFF		
	Entry Age			Entry Age		
	20	30	40	20	30	40
0	7.55%	7.35%	7.15%	19.95%	18.55%	16.85%
3	6.15%	5.65%	4.85%	9.05%	8.85%	8.25%
5	5.55%	5.05%	4.05%	6.85%	6.65%	6.05%
10	4.85%	4.35%	3.55%	4.65%	4.55%	4.35%
15	4.35%	4.05%	3.45%	4.15%	4.05%	4.05%
20	3.95%	3.75%	3.45%	3.85%	3.75%	3.75%
25	3.65%	3.55%	3.35%	3.55%	3.55%	3.55%
30	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%



Duration of Service	CHP			Schools		
	Entry Age			Entry Age		
	20	30	40	20	30	40
0	9.05%	9.05%	9.05%	11.05%	9.85%	8.45%
3	6.25%	6.25%	6.25%	7.75%	7.25%	6.45%
5	5.15%	5.15%	5.15%	6.55%	6.25%	5.55%
10	3.95%	3.95%	3.95%	4.75%	4.65%	4.35%
15	3.75%	3.75%	3.75%	4.15%	4.05%	3.75%
20	3.55%	3.55%	3.55%	3.85%	3.75%	3.45%
25	3.45%	3.45%	3.45%	3.55%	3.55%	3.35%
30	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

***Overall Payroll Growth***

- 3.25% compounded annually (used in projecting the payroll over which the unfunded liability is amortized).

***Inflation***

- 3% compounded annually.

## DEMOGRAPHIC ASSUMPTIONS:

***Marital Status***

- For active members, a percentage married upon Retirement is assumed according to the following table.

<u>Plan</u>	<u>Percent Married</u>
State Miscellaneous, Tier 1	85%
State Miscellaneous, Tier 2	85%
State Industrial	85%
State Safety	90%
State Police Officers/Firefighters	90%
California Highway Patrol	90%
Schools	85%

***Age of Spouse***

- It is assumed that female spouses are 3 years younger than male spouses.

## MISCELLANEOUS LOADING FACTORS:

***Credit for Unused Sick Leave***

- Final Average Salary is increased by 1% for all groups providing credit for unused sick leave.

***Norris Decision (Best Factors)***

- Employees hired prior to July 1, 1982 have projected benefit amounts increased in order to reflect the use of “Best Factors” for these employees in the calculation of optional benefit forms. This is due to a 1983 Supreme Court decision, known as the Norris decision, which required males and females to be treated equally in the determination of benefit amounts. Consequently, anyone already employed at that time is given the best possible conversion factor when optional benefits are determined. A unisex conversion table was developed for employees hired after July 1, 1982, which was a weighted average of the male and female tables. Therefore, no loading is necessary in this case.

## MISCELLANEOUS ASSUMPTIONS:

***Tier 2 Members electing Tier 1 benefits***

- Tier 2 members of both the State Miscellaneous and State Industrial plans have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. In this valuation, we have assumed that all Tier 2 members will elect to convert their Tier 2 service to Tier 1 service.

## Plan Specific Actuarial Assumptions

### STATE MISCELLANEOUS TIER 1

#### *Service Retirement*

- Rates vary by age and service. See sample rates in table below.

Attained Age	Years of Service						
	5	10	15	20	25	30	35
50	0.0033	0.0088	0.0124	0.0153	0.0187	0.0219	0.0253
52	0.0025	0.0067	0.0094	0.0115	0.0142	0.0165	0.0191
54	0.0040	0.0108	0.0152	0.0187	0.0230	0.0269	0.0310
56	0.0095	0.0255	0.0358	0.0440	0.0541	0.0631	0.0729
58	0.0149	0.0401	0.0564	0.0693	0.0851	0.0994	0.1148
60	0.0259	0.0697	0.0980	0.1205	0.1479	0.1728	0.1996
62	0.0466	0.1252	0.1763	0.2166	0.2659	0.3106	0.3588
65	0.0538	0.1447	0.2037	0.2503	0.3073	0.3589	0.4146
70	0.0397	0.1068	0.1504	0.1848	0.2268	0.2650	0.3061
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

#### *Termination with Refund*

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
0	0.1218	0.1165	0.1113	0.1061	0.1009
1	0.1086	0.1034	0.0981	0.0929	0.0877
2	0.0954	0.0902	0.0850	0.0797	0.0745
3	0.0822	0.0770	0.0718	0.0666	0.0613
4	0.0690	0.0638	0.0586	0.0534	0.0481
5	0.0207	0.0187	0.0168	0.0149	0.0129
10	0.0118	0.0101	0.0084	0.0068	0.0051
15	0.0079	0.0065	0.0050	0.0036	0.0022
20	0.0049	0.0037	0.0025	0.0013	0.0002
25	0.0025	0.0015	0.0006	0.0002	0.0002
30	0.0010	0.0002	0.0002	0.0002	0.0002

## STATE MISCELLANEOUS TIER 1 (CONTINUED)

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0352	0.0319	0.0286	0.0253	0.0221
6	0.0333	0.0299	0.0266	0.0233	0.0200
7	0.0313	0.0279	0.0246	0.0212	0.0177
8	0.0293	0.0259	0.0225	0.0189	0.0155
9	0.0272	0.0237	0.0203	0.0167	0.0132
10	0.0250	0.0215	0.0179	0.0143	-
14	0.0221	0.0183	0.0145	0.0108	-
15	0.0212	0.0174	0.0137	-	-
19	0.0175	0.0135	0.0095	-	-
20	0.0166	0.0125	-	-	-
24	0.0124	0.0082	-	-	-
25	0.0113	-	-	-	-
29	0.0065	-	-	-	-
30	-	-	-	-	-

**Non-Industrial Death**

- Rates vary by age and gender. See sample rates in table below.

**Non-Industrial Disability**

- Rates vary by age and gender. See sample rates in table below.

Attained Age	Male		Female	
	Non-Industrial Death	Non-Industrial Disability	Non-Industrial Death	Non-Industrial Disability
20	0.00019	0.0001	0.00009	0.0001
25	0.00027	0.0002	0.00014	0.0005
30	0.00038	0.0003	0.00021	0.0010
35	0.00054	0.0005	0.00031	0.0014
40	0.00077	0.0012	0.00046	0.0022
45	0.00110	0.0022	0.00068	0.0035
50	0.00156	0.0038	0.00102	0.0056
55	0.00221	0.0040	0.00151	0.0070
60	0.00314	0.0026	0.00226	0.0057

## STATE MISCELLANEOUS TIER 1 (CONTINUED)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## STATE MISCELLANEOUS TIER 2

**Service Retirement**

➤ Rates vary by age and Service. See sample rates in table below.

Attained Age	Years of Service						
	5	10	15	20	25	30	35
50	0.0033	0.0088	0.0124	0.0153	0.0187	0.0219	0.0253
52	0.0025	0.0067	0.0094	0.0115	0.0142	0.0165	0.0191
54	0.0040	0.0108	0.0152	0.0187	0.0230	0.0269	0.0310
56	0.0095	0.0255	0.0358	0.0440	0.0541	0.0631	0.0729
58	0.0149	0.0401	0.0564	0.0693	0.0851	0.0994	0.1148
60	0.0259	0.0697	0.0980	0.1205	0.1479	0.1728	0.1996
62	0.0466	0.1252	0.1763	0.2166	0.2659	0.3106	0.3588
65	0.0538	0.1447	0.2037	0.2503	0.3073	0.3589	0.4146
70	0.0397	0.1068	0.1504	0.1848	0.2268	0.2650	0.3061
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Non-vested Termination**

➤ Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
0	0.1496	0.1433	0.1370	0.1307	0.1244
1	0.1365	0.1302	0.1239	0.1176	0.1113
2	0.1234	0.1172	0.1109	0.1046	0.0983
3	0.1104	0.1041	0.0978	0.0915	0.0852
4	0.0973	0.0910	0.0848	0.0785	0.0722
5	0.0843	0.0780	0.0717	0.0654	0.0591
6	0.0792	0.0729	0.0666	0.0603	0.0540
7	0.0741	0.0678	0.0615	0.0553	0.0490
8	0.0691	0.0628	0.0565	0.0502	0.0439
9	0.0640	0.0577	0.0514	0.0451	0.0388

## STATE MISCELLANEOUS TIER 2 (Continued)

***Terminations with Vested Deferred Benefits***

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
10	0.0589	0.0526	0.0463	0.0400	-
14	0.0480	0.0417	0.0354	0.0291	-
15	0.0453	0.0390	0.0327	-	-
19	0.0344	0.0281	0.0218	-	-
20	0.0317	0.0254	-	-	-
24	0.0208	0.0145	-	-	-
25	0.0180	-	-	-	-
29	0.0071	-	-	-	-
30	-	-	-	-	-

***Non-Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Non-Industrial Disability***

- Rates vary by age and gender. See sample rates in table below.

Attained Age	Male		Female	
	Non-Industrial Death	Non-Industrial Disability	Non-Industrial Death	Non-Industrial Disability
20	0.00019	0.0001	0.00009	0.0001
25	0.00027	0.0002	0.00014	0.0004
30	0.00038	0.0003	0.00021	0.0006
35	0.00054	0.0003	0.00031	0.0017
40	0.00077	0.0023	0.00046	0.0041
45	0.00110	0.0042	0.00068	0.0068
50	0.00156	0.0058	0.00102	0.0099
55	0.00221	0.0073	0.00151	0.0123
60	0.00314	0.0081	0.00226	0.0134

## STATE MISCELLANEOUS TIER 2 (Continued)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341



## STATE INDUSTRIAL TIER 1

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

<b>Attained Age</b>	<b>Years of Service</b>						
	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>
50	0.0062	0.0113	0.0177	0.0262	0.0309	0.0328	0.0388
52	0.0035	0.0065	0.0101	0.0149	0.0176	0.0187	0.0222
54	0.0079	0.0145	0.0227	0.0335	0.0396	0.0420	0.0498
56	0.0160	0.0294	0.0459	0.0679	0.0801	0.0851	0.1008
58	0.0249	0.0457	0.0713	0.1056	0.1245	0.1323	0.1567
60	0.0305	0.0559	0.0873	0.1292	0.1524	0.1619	0.1918
62	0.0606	0.1110	0.1733	0.2565	0.3026	0.3214	0.3808
65	0.0666	0.1220	0.1906	0.2821	0.3328	0.3535	0.4187
70	0.0444	0.0814	0.1271	0.1882	0.2220	0.2358	0.2793
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by entry age and service. See sample rates in table below.

<b>Duration of Service</b>	<b>Entry Age</b>				
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>
0	0.0734	0.0703	0.0671	0.0640	0.0608
1	0.0655	0.0623	0.0592	0.0560	0.0529
2	0.0575	0.0544	0.0512	0.0481	0.0449
3	0.0496	0.0464	0.0433	0.0401	0.0370
4	0.0416	0.0385	0.0353	0.0322	0.0290
5	0.0125	0.0113	0.0101	0.0090	0.0078
10	0.0071	0.0061	0.0051	0.0041	0.0031
15	0.0047	0.0039	0.0030	0.0022	0.0013
20	0.0030	0.0023	0.0015	0.0008	0.0002
25	0.0015	0.0009	0.0004	0.0002	0.0002
30	0.0006	0.0002	0.0002	0.0002	0.0002

## STATE INDUSTRIAL TIER 1 (Continued)

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0212	0.0192	0.0173	0.0152	0.0133
6	0.0201	0.0180	0.0161	0.0140	0.0120
7	0.0189	0.0168	0.0148	0.0127	0.0107
8	0.0177	0.0156	0.0135	0.0114	0.0094
9	0.0164	0.0143	0.0122	0.0100	0.0080
10	0.0151	0.0129	0.0108	0.0086	-
14	0.0133	0.0110	0.0088	0.0065	-
15	0.0129	0.0105	0.0083	-	-
19	0.0106	0.0081	0.0058	-	-
20	0.0099	0.0075	-	-	-
24	0.0074	0.0049	-	-	-
25	0.0068	-	-	-	-
29	0.0039	-	-	-	-
30	-	-	-	-	-

**Non-Industrial Death**

- Rates vary by age and gender. See sample rates in table below.

**Industrial Disability, Non-Industrial Disability & Industrial Death**

- Rates vary by age. See sample rates in table below.

Attained Age	Non-Industrial Death		Non-Industrial Disability	Industrial Disability	Industrial Death
	Male	Female	Male and Female	Male and Female	Male and Female
			Male and Female	Male and Female	Male and Female
20	0.00019	0.00009	0.0005	0.0001	0.00003
25	0.00027	0.00014	0.0010	0.0001	0.00007
30	0.00038	0.00021	0.0016	0.0001	0.00010
35	0.00054	0.00031	0.0024	0.0002	0.00013
40	0.00077	0.00046	0.0037	0.0002	0.00017
45	0.00110	0.00068	0.0055	0.0003	0.00020
50	0.00156	0.00102	0.0073	0.0003	0.00023
55	0.00221	0.00151	0.0093	0.0004	0.00027
60	0.00314	0.00226	0.0108	0.0004	0.00030

## STATE INDUSTRIAL TIER 1 (Continued)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

<u>Age</u>	<u>Healthy Recipients</u>		<u>Non-Industrially Disabled (Not Job-Related)</u>		<u>Industrially Disabled (Job-Related)</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## STATE INDUSTRIAL TIER 2

**Service Retirement**

- Rates vary by age and service . See sample rates in table below.

<b>Attained Age</b>	<b>Years of Service</b>						
	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>
50	0.0062	0.0113	0.0177	0.0262	0.0309	0.0328	0.0388
52	0.0035	0.0065	0.0101	0.0149	0.0176	0.0187	0.0222
54	0.0079	0.0145	0.0227	0.0335	0.0396	0.0420	0.0498
56	0.0160	0.0294	0.0459	0.0679	0.0801	0.0851	0.1008
58	0.0249	0.0457	0.0713	0.1056	0.1245	0.1323	0.1567
60	0.0305	0.0559	0.0873	0.1292	0.1524	0.1619	0.1918
62	0.0606	0.1110	0.1733	0.2565	0.3026	0.3214	0.3808
65	0.0666	0.1220	0.1906	0.2821	0.3328	0.3535	0.4187
70	0.0444	0.0814	0.1271	0.1882	0.2220	0.2358	0.2793
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by entry age and service. See sample rates in table below.

<b>Duration of Service</b>	<b>Entry Age</b>				
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>
0	0.0734	0.0703	0.0671	0.0640	0.0608
1	0.0655	0.0623	0.0592	0.0560	0.0529
2	0.0575	0.0544	0.0512	0.0481	0.0449
3	0.0496	0.0464	0.0433	0.0401	0.0370
4	0.0416	0.0385	0.0353	0.0322	0.0290
5	0.0125	0.0113	0.0101	0.0090	0.0078
10	0.0071	0.0061	0.0051	0.0041	0.0031
15	0.0047	0.0039	0.0030	0.0022	0.0013
20	0.0030	0.0023	0.0015	0.0008	0.0002
25	0.0015	0.0009	0.0004	0.0002	0.0002
30	0.0006	0.0002	0.0002	0.0002	0.0002

## STATE INDUSTRIAL TIER 2 (Continued)

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0212	0.0192	0.0173	0.0152	0.0133
6	0.0201	0.0180	0.0161	0.0140	0.0120
7	0.0189	0.0168	0.0148	0.0127	0.0107
8	0.0177	0.0156	0.0135	0.0114	0.0094
9	0.0164	0.0143	0.0122	0.0100	0.0080
10	0.0151	0.0129	0.0108	0.0086	-
14	0.0133	0.0110	0.0088	0.0065	-
15	0.0129	0.0105	0.0083	-	-
19	0.0106	0.0081	0.0058	-	-
20	0.0099	0.0075	-	-	-
24	0.0074	0.0049	-	-	-
25	0.0068	-	-	-	-
29	0.0039	-	-	-	-
30	-	-	-	-	-

**Non-Industrial Death**

- Rates vary by age and gender. See sample rates in table below.

**Non-Industrial Disability**

- Rates vary by age. See sample rates in table below.

**Industrial Disability**

- Rates vary by age. See sample rates in table below.

**Industrial Death**

- Rates vary by age. See sample rates in table below.

Attained Age	Non-Industrial Death		Non-Industrial Disability	Industrial Disability	Industrial Death
	Male	Female	Male and Female	Male and Female	Male and Female
			Male and Female	Male and Female	Male and Female
20	0.00019	0.00009	0.0005	0.0001	0.00003
25	0.00027	0.00014	0.0010	0.0001	0.00007
30	0.00038	0.00021	0.0016	0.0001	0.00010
35	0.00054	0.00031	0.0024	0.0002	0.00013
40	0.00077	0.00046	0.0037	0.0002	0.00017
45	0.00110	0.00068	0.0055	0.0003	0.00020
50	0.00156	0.00102	0.0073	0.0003	0.00023
55	0.00221	0.00151	0.0093	0.0004	0.00027
60	0.00314	0.00226	0.0108	0.0004	0.00030

## STATE INDUSTRIAL TIER 2 (Continued)

***Postretirement Mortality***

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

<b>Age</b>	<b>Healthy Recipients</b>		<b>Non-Industrially Disabled (Not Job-Related)</b>		<b>Industrially Disabled (Job-Related)</b>	
	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## STATE SAFETY

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

Attained Age	Years of Service						
	5	10	15	20	25	30	35
50	0.0099	0.0167	0.0226	0.0265	0.0295	0.0384	0.0455
52	0.0067	0.0113	0.0154	0.0180	0.0201	0.0261	0.0309
54	0.0074	0.0125	0.0169	0.0198	0.0220	0.0286	0.0340
56	0.0252	0.0424	0.0575	0.0673	0.0750	0.0975	0.1157
58	0.0268	0.0451	0.0610	0.0715	0.0797	0.1036	0.1228
60	0.0429	0.0723	0.0979	0.1146	0.1278	0.1662	0.1970
62	0.0697	0.1174	0.1590	0.1862	0.2076	0.2698	0.3200
65	0.0952	0.1604	0.2173	0.2544	0.2837	0.3687	0.4373
70	0.0684	0.1152	0.1561	0.1828	0.2038	0.2649	0.3141
75	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by service. See sample rates in table below.

Service										
0	1	2	3	4	5	10	15	20	25	30
0.1313	0.0967	0.0622	0.0461	0.0374	0.0106	0.0077	0.0052	0.0033	0.0017	0.0012

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0181	0.0181	0.0181	0.0181	0.0181
6	0.0178	0.0178	0.0178	0.0178	0.0178
7	0.0175	0.0175	0.0175	0.0175	0.0175
8	0.0171	0.0171	0.0171	0.0171	0.0171
9	0.0167	0.0167	0.0167	0.0167	0.0167
10	0.0163	0.0163	0.0163	0.0163	-
14	0.0145	0.0145	0.0145	0.0145	-
15	0.0140	0.0140	0.0140	-	-
19	0.0117	0.0117	0.0117	-	-
20	0.0111	0.0111	-	-	-
24	0.0085	0.0085	-	-	-
25	0.0078	-	-	-	-
29	0.0064	-	-	-	-
30	-	-	-	-	-

## STATE SAFETY (Continued)

***Non-Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Industrial Disability, Non-Industrial Disability & Industrial Death***

- Rates vary by age. See sample rates in table below.

Attained Age	Non-Industrial Death		Non-Industrial Disability	Industrial Disability	Industrial Death
	Male	Female	Male and Female	Male and Female	Male and Female
20	0.00019	0.00009	0.0004	0.0002	0.00003
25	0.00027	0.00014	0.0006	0.0009	0.00007
30	0.00038	0.00021	0.0007	0.0018	0.00010
35	0.00054	0.00031	0.0008	0.0027	0.00013
40	0.00077	0.00046	0.0008	0.0036	0.00017
45	0.00110	0.00068	0.0012	0.0044	0.00020
50	0.00156	0.00102	0.0024	0.0053	0.00023
55	0.00221	0.00151	0.0034	0.0080	0.00027
60	0.00314	0.00226	0.0043	0.0080	0.00030

***Postretirement Mortality***

- Rates vary by age and gender for healthy benefit recipients and for non-industrially disabled (disability not job related) retirees. Rates vary by age for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341



## STATE PEACE OFFICERS AND FIREFIGHTERS

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

Attained Age	Years of Service						
	5	10	15	20	25	30	35
50	0.0048	0.0161	0.0218	0.0251	0.0417	0.0655	0.0761
52	0.0062	0.0208	0.0281	0.0324	0.0539	0.0846	0.0983
54	0.0128	0.0431	0.0582	0.0671	0.1114	0.1751	0.2034
56	0.0166	0.0559	0.0755	0.0871	0.1446	0.2272	0.2639
58	0.0156	0.0526	0.0710	0.0820	0.1361	0.2138	0.2483
60	0.0200	0.0671	0.0906	0.1045	0.1735	0.2726	0.3166
62	0.0277	0.0929	0.1256	0.1449	0.2405	0.3779	0.4389
65	0.0392	0.1318	0.1781	0.2055	0.3411	0.5360	0.6225
70	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by service. See sample rates in table below.

Service										
0	1	2	3	4	5	10	15	20	25	30
0.1432	0.0916	0.0507	0.0415	0.0323	0.0085	0.0059	0.0038	0.0022	0.0009	0.0005

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0145	0.0145	0.0145	0.0145	0.0145
6	0.0141	0.0141	0.0141	0.0141	0.0141
7	0.0138	0.0138	0.0138	0.0138	0.0138
8	0.0134	0.0134	0.0134	0.0134	0.0134
9	0.0130	0.0130	0.0130	0.0130	0.0130
10	0.0125	0.0125	0.0125	0.0125	-
14	0.0107	0.0107	0.0107	0.0107	-
15	0.0101	0.0101	0.0101	-	-
19	0.0078	0.0078	0.0078	-	-
20	0.0072	0.0072	-	-	-
24	0.0046	0.0046	-	-	-
25	0.0039	-	-	-	-
29	0.0025	-	-	-	-
30	-	-	-	-	-

## STATE PEACE OFFICERS AND FIREFIGHTERS (Continued)

***Non-Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Industrial Disability, Non-Industrial Disability & Industrial Death***

- Rates vary by age. See sample rates in table below.

<u>Attained Age</u>	<u>Non-Industrial Death</u>		<u>Non-Industrial Disability</u>	<u>Industrial Disability</u>	<u>Industrial Death</u>
	<u>Male</u>	<u>Female</u>	<u>Male and Female</u>	<u>Male and Female</u>	<u>Male and Female</u>
20	0.00019	0.00009	0.0001	0.0003	0.00003
25	0.00027	0.00014	0.0001	0.0015	0.00007
30	0.00038	0.00021	0.0001	0.0030	0.00010
35	0.00054	0.00031	0.0002	0.0045	0.00013
40	0.00077	0.00046	0.0005	0.0060	0.00017
45	0.00110	0.00068	0.0008	0.0075	0.00020
50	0.00156	0.00102	0.0013	0.0090	0.00023
55	0.00221	0.00151	0.0019	0.0208	0.00027
60	0.00314	0.00226	0.0025	0.0208	0.00030

***Postretirement Mortality***

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

<u>Age</u>	<u>Healthy Recipients</u>		<u>Non-Industrially Disabled (Not Job-Related)</u>		<u>Industrially Disabled (Job-Related)</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## CALIFORNIA HIGHWAY PATROL

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

Attained Age	Years of Service						
	5	10	15	20	25	30	35
50	0.0044	0.0044	0.0044	0.0044	0.0132	0.0250	0.0288
52	0.0145	0.0145	0.0145	0.0145	0.0435	0.0825	0.0950
54	0.0303	0.0303	0.0303	0.0303	0.0909	0.1725	0.1988
56	0.0271	0.0271	0.0271	0.0271	0.0813	0.1542	0.1777
58	0.0229	0.0229	0.0229	0.0229	0.0686	0.1301	0.1499
60	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

**Termination with Refund**

- Rates vary by service. See sample rates in table below.

Service										
0	1	2	3	4	5	10	15	20	25	30
0.0115	0.0111	0.0108	0.0104	0.0101	0.0036	0.0026	0.0017	0.0010	0.0005	0.0003

**Terminations with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0061	0.0061	0.0061	0.0061	0.0061
6	0.0060	0.0060	0.0060	0.0060	0.0060
7	0.0059	0.0059	0.0059	0.0059	0.0059
8	0.0057	0.0057	0.0057	0.0057	0.0057
9	0.0056	0.0056	0.0056	0.0056	0.0056
10	0.0054	0.0054	0.0054	0.0054	-
14	0.0047	0.0047	0.0047	0.0047	-
15	0.0046	0.0046	0.0046	-	-
19	0.0037	0.0037	0.0037	-	-
20	0.0035	0.0035	-	-	-
24	0.0025	0.0025	-	-	-
25	0.0022	-	-	-	-
29	0.0017	-	-	-	-
30	-	-	-	-	-

## CALIFORNIA HIGHWAY PATROL (Continued)

***Non-Industrial Death & Industrial Death***

- Rates vary by age and gender. See sample rates in table below.

***Industrial Disability & Non-Industrial Disability***

- Rates vary by age. See sample rates in table below.

<u>Attained Age</u>	<u>Non-Industrial Death</u>		<u>Non-Industrial Disability</u>	<u>Industrial Disability</u>	<u>Industrial Death</u>
	<u>Male</u>	<u>Female</u>	<u>Male and Female</u>	<u>Male and Female</u>	<u>Male and Female</u>
20	0.00019	0.00009	0.0001	0.0009	0.00003
25	0.00027	0.00014	0.0001	0.0017	0.00007
30	0.00038	0.00021	0.0001	0.0025	0.00010
35	0.00054	0.00031	0.0001	0.0033	0.00013
40	0.00077	0.00046	0.0001	0.0042	0.00017
45	0.00110	0.00068	0.0002	0.0050	0.00020
50	0.00156	0.00102	0.0002	0.0058	0.00023
55	0.00221	0.00151	0.0002	0.1189	0.00027
60	0.00314	0.00226	0.0002	0.1189	0.00030

***Postretirement Mortality***

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

<u>Age</u>	<u>Healthy Recipients</u>		<u>Non-Industrially Disabled (Not Job-Related)</u>		<u>Industrially Disabled (Job-Related)</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## SCHOOLS

**Service Retirement**

- Rates vary by age and service. See sample rates in table below.

<b>Attained Age</b>	<b>Years of Service</b>						
	<b>5</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>
50	0.0036	0.0071	0.0100	0.0118	0.0131	0.0147	0.0172
52	0.0035	0.0069	0.0096	0.0114	0.0127	0.0142	0.0167
54	0.0060	0.0118	0.0165	0.0196	0.0218	0.0244	0.0286
56	0.0158	0.0314	0.0439	0.0519	0.0578	0.0647	0.0760
58	0.0202	0.0402	0.0562	0.0663	0.0739	0.0827	0.0971
60	0.0368	0.0729	0.1020	0.1205	0.1342	0.1502	0.1763
62	0.0762	0.1512	0.2115	0.2498	0.2784	0.3114	0.3657
65	0.0906	0.1797	0.2513	0.2969	0.3308	0.3701	0.4345
70	0.0660	0.1308	0.1830	0.2162	0.2408	0.2695	0.3164
75	0.0546	0.1082	0.1513	0.1788	0.1992	0.2229	0.2617

**Termination with Refund**

- Rates vary by entry age and service. See sample rates in table below.

<b>Duration of Service</b>	<b>Entry Age</b>				
	<b>20</b>	<b>25</b>	<b>30</b>	<b>35</b>	<b>40</b>
0	0.1617	0.1521	0.1425	0.1329	0.1233
1	0.1481	0.1385	0.1289	0.1193	0.1097
2	0.1346	0.1249	0.1153	0.1057	0.0961
3	0.1210	0.1114	0.1018	0.0922	0.0826
4	0.1074	0.0978	0.0882	0.0786	0.0690
5	0.0347	0.0311	0.0276	0.0240	0.0205
10	0.0215	0.0184	0.0153	0.0123	0.0092
15	0.0144	0.0118	0.0092	0.0066	0.0040
20	0.0091	0.0069	0.0047	0.0025	0.0003
25	0.0046	0.0029	0.0012	0.0002	0.0002
30	0.0019	0.0004	0.0002	0.0002	0.0002

## SCHOOLS (Continued)

**Termination with Vested Deferred Benefits**

- Rates vary by entry age and service. See sample rates in table below.

Duration of Service	Entry Age				
	20	25	30	35	40
5	0.0591	0.0531	0.0470	0.0410	0.0349
6	0.0567	0.0505	0.0444	0.0382	0.0321
7	0.0540	0.0478	0.0415	0.0353	0.0290
8	0.0513	0.0450	0.0387	0.0323	0.0260
9	0.0486	0.0422	0.0357	0.0293	0.0229
10	0.0456	0.0391	0.0326	0.0260	-
14	0.0404	0.0335	0.0266	0.0197	-
15	0.0389	0.0319	0.0249	-	-
19	0.0321	0.0249	0.0176	-	-
20	0.0304	0.0230	-	-	-
24	0.0231	0.0153	-	-	-
25	0.0211	-	-	-	-
29	0.0123	-	-	-	-
30	-	-	-	-	-

**Non-Industrial Death**

- Rates vary by age and gender. See sample rates in table below.

**Non-Industrial Disability**

- Rates vary by age and gender. See sample rates in table below.

Attained Age	Male		Female	
	Non-Industrial Death	Non-Industrial Disability	Non-Industrial Death	Non-Industrial Disability
20	0.00019	0.0001	0.00009	0.0001
25	0.00027	0.0002	0.00014	0.0001
30	0.00038	0.0004	0.00021	0.0003
35	0.00054	0.0008	0.00031	0.0005
40	0.00077	0.0014	0.00046	0.0010
45	0.00110	0.0028	0.00068	0.0016
50	0.00156	0.0050	0.00102	0.0030
55	0.00221	0.0072	0.00151	0.0047
60	0.00314	0.0071	0.00226	0.0037

## SCHOOLS (Continued)

*Postretirement Mortality*

- Rates vary by age and gender for healthy benefit recipients, for non-industrially disabled (disability not job related) retirees and for retirees who are industrially disabled (disability is job-related). See sample rates in table below.

Age	Healthy Recipients		Non-Industrially Disabled (Not Job-Related)		Industrially Disabled (Job-Related)	
	Male	Female	Male	Female	Male	Female
50	0.00245	0.00136	0.01459	0.01129	0.00546	0.00388
55	0.00429	0.00253	0.02115	0.01481	0.00616	0.00568
60	0.00721	0.00442	0.02870	0.01884	0.01016	0.00818
65	0.01302	0.00795	0.03617	0.02356	0.01853	0.01214
70	0.02135	0.01276	0.04673	0.03020	0.03369	0.01760
75	0.03716	0.02156	0.06552	0.04298	0.05768	0.02774
80	0.06256	0.03883	0.09481	0.06514	0.08670	0.04690
85	0.10195	0.07219	0.14041	0.10269	0.13032	0.08262
90	0.17379	0.12592	0.20793	0.16189	0.19588	0.13984
95	0.25917	0.21773	0.30792	0.25522	0.29444	0.23566
100	0.34724	0.32036	0.45599	0.40236	0.44259	0.35341

## APPENDIX B

### SUMMARY OF PRINCIPAL PLAN PROVISIONS

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## Summary of Principal Plan Provisions

### STATE MISCELLANEOUS TIER 1

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of this plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **2% at 55** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<b>Retirement Age</b>	<b>2% at 55 Factor</b>
50	1.100%
51	1.280%
52	1.460%
53	1.640%
54	1.820%
55	2.000%
56	2.064%
57	2.126%
58	2.188%
59	2.250%
60	2.314%
61	2.376%
62	2.438%
63 & Up	2.500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group may or may not be covered by Social Security. For employees covered by Social Security, the final compensation is offset by \$133.33 (or by one third if the final compensation is less than \$400).
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

### **Post-Retirement Death Benefit**

#### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

### **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance (PRSA)* or simply as *survivor continuance*.

In other words, 25% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime. This benefit will be discontinued in the event the spouse remarries.

The remaining 75% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's

death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

#### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid

to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

### **1957 Survivor Benefit**

#### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

#### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

### **Optional Settlement 2 Death Benefit**

#### **Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

#### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

## **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

## **Employee Contributions**

Each employee contributes toward his or her retirement based upon one of the following schedules. The employer may choose to “pick-up” these contributions for the employees.

For employees covered by Social Security, the contribution schedule is as follows:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$513.
- The percent contributed above the monthly compensation breakpoint is 5%.

For employees not covered by Social Security, the contribution schedule is as follows:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$317.
- The percent contributed above the monthly compensation breakpoint is 6%.

## **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least

one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 62 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE MISCELLANEOUS TIER 2

The following is a summary of the major plan provisions applicable to State Miscellaneous Tier 2 members. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Tier 2 Members electing Tier 1 benefits

State Miscellaneous Tier 2 members have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. In this valuation, we have assumed that all State Miscellaneous Tier 2 members will elect to convert their Tier 2 service to Tier 1 service.

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 55 with at least 10 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation, where

- The benefit factor for this group of employees comes from the 1.25% at 65 Tier 2 benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

	<b>1.25% at 65</b>		<b>1.25% at 65</b>
<b>Retirement</b>	<b>Tier 2</b>	<b>Retirement</b>	<b>Tier 2</b>
<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
50	0.5000%	58	0.9000%
51	0.5500%	59	0.9500%
52	0.6000%	60	1.0000%
53	0.6500%	61	1.0500%
54	0.7000%	62	1.1000%
55	0.7500%	63	1.1500%
56	0.8000%	64	1.2000%
57	0.8500%	65 & Up	1.2500%



- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group may or may not be covered by Social Security. The final compensation is not offset by a dollar amount.
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, and has earned at least 10 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 55. Members with 5 years of service before January 1, 1985, are eligible at age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes disabled and has at least 10 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. Disabled means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit. Members with 5 years of service before January 1, 1985 are also eligible.

**Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.125% of final compensation, multiplied by service, which is determined as follows:

- service is CalPERS credited service, for members with less than 10 years of service or greater than 29.628 years of service; or
- service is CalPERS credited service plus the additional number of years that the member would have worked until age 65, for members with at least 10 years but not more than 29.628 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

**Post-Retirement Death Benefit****Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

**Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. This additional benefit is often referred to as post retirement survivor allowance (PRSA) or simply as survivor continuance.

In other words, 25% of the allowance, the continuance portion, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime. This benefit will be discontinued in the event the spouse remarries.

The remaining 75% of the retirement allowance, which may be referred to as the option portion of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this option portion to be paid to any designated beneficiary after the retiree's

death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

#### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid

to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

### **1957 Survivor Benefit**

#### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 55, and has at least 10 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit. Members with 5 years of service before January 1, 1985 are also eligible.

#### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

### **Optional Settlement 2 Death Benefit**

#### **Eligibility**

An employee's eligible survivor may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 55, and has at least 10 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. An eligible survivor means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit. Members with 5 years of service before January 1, 1985 are also eligible.

#### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

### **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

### **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon the following schedule. The employer may choose to “pick-up” these contributions for the employees.

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$0.

The percent contributed above the monthly compensation breakpoint is 0%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, if any, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 62 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE INDUSTRIAL TIER 1

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of the plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **2% at 55** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<u>Retirement Age</u>	<u>2% at 55 Factor</u>
50	1.100%
51	1.280%
52	1.460%
53	1.640%
54	1.820%
55	2.000%
56	2.064%
57	2.126%
58	2.188%
59	2.250%
60	2.314%
61	2.376%
62	2.438%
63 & Up	2.500%

- The years of service is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The final compensation is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group may or may not be covered by Social Security. For employees covered by Social Security, the final compensation is offset by \$133.33 (or by one third if the final compensation is less than \$400).
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, and has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes disabled and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. Disabled means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.



**Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

**Industrial (Job-Related) Disability Retirement****Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

**Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

**Post-Retirement Death Benefit****Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

**Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit

options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 25% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime. This benefit will be discontinued in the event the spouse remarries.

The remaining 75% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

**Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

**Alternate Death Benefit****Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

**Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

**1957 Survivor Benefit****Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

**Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

**Optional Settlement 2 Death Benefit****Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

### **Special Death Benefit**

#### **Eligibility**

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

#### **Benefit**

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death or remarriage, at which time the allowance is continued to any unmarried children under age 22. The spouse may elect to receive a reduced allowance that would not end upon remarriage. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

### **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

### **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon one of the following schedules. The employer may choose to “pick-up” these contributions for the employees.

For employees covered by Social Security, the contribution schedule is as follows:

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$513.

The percent contributed above the monthly compensation breakpoint is 5%.

For employees not covered by Social Security, the contribution schedule is as follows:

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$317.

The percent contributed above the monthly compensation breakpoint is 6%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A

member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 62 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE INDUSTRIAL TIER 2

The following is a summary of the major plan provisions applicable to State Industrial Tier 2 Members. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Tier 2 Members electing Tier 1 benefits

State Industrial Tier 2 members have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. In this valuation, we have assumed that all State Industrial Tier 2 members will elect to convert their Tier 2 service to Tier 1 service.

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 55 with at least 10 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). Members with 5 years of service before January 1, 1985 are also eligible.

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **1.25% at 65 Tier 2** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<u>Retirement Age</u>	<b>1.25% at 65 Tier 2 Factor</b>	<u>Retirement Age</u>	<b>1.25% at 65 Tier 2 Factor</b>
50	0.5000%	58	0.9000%
51	0.5500%	59	0.9500%
52	0.6000%	60	1.0000%
53	0.6500%	61	1.0500%
54	0.7000%	62	1.1000%
55	0.7500%	63	1.1500%
56	0.8000%	64	1.2000%
57	0.8500%	65 & Up	1.2500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group may or may not be covered by Social Security. The final compensation is not offset by a dollar amount.
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 10 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). Members with 5 years of service before January 1, 1985 are also eligible.

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 55.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 10 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit. Members with 5 years of service before January 1, 1985 are also eligible.



**Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.125% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 29.628 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 65, for members with at least 10 years but not more than 29.628 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

**Industrial (Job-Related) Disability Retirement****Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

**Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

**Post-Retirement Death Benefit****Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

**Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger

the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 25% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime. This benefit will be discontinued in the event the spouse remarries.

The remaining 75% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

**Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

**Alternate Death Benefit****Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

**Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

**1957 Survivor Benefit****Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 55, and has at least 10 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit. Members with 5 years of service before January 1, 1985 are also eligible.

**Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

## Optional Settlement 2 Death Benefit

### Eligibility

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 55, and has at least 10 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit. Members with 5 years of service before January 1, 1985 are also eligible.

### Benefit

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## Special Death Benefit

### Eligibility

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

### Benefit

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death or remarriage, at which time the allowance is continued to any unmarried children under age 22. The spouse may elect to receive a reduced allowance that would not end upon remarriage. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

### **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 3%.

### **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon the following schedule. The employer may choose to “pick-up” these contributions for the employees.

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$0.

The percent contributed above the monthly compensation breakpoint is 0%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A

member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 62 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE SAFETY

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of the plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **2.5% at 55 Safety** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

	<b>2.5% at 55</b>
<b>Retirement Age</b>	<b>Safety Factor</b>
50	1.700%
51	1.800%
52	1.900%
53	2.000%
54	2.250%
55 & Up	2.500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this

compensation). The employees in this group are not covered by Social Security. The final compensation is not offset by a dollar amount.

- The Service Retirement benefit is capped at 80% of final compensation.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

#### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement



age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

## **Industrial (Job-Related) Disability Retirement**

### **Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

### **Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

## **Post-Retirement Death Benefit**

### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

## **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 50% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent

parent) for the rest of his or her lifetime. This benefit will be discontinued in the event the spouse remarries.

The remaining 50% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

## **1957 Survivor Benefit**

### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

## **Optional Settlement 2 Death Benefit**

### **Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death

and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## Special Death Benefit

### Eligibility

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

### Benefit

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death or remarriage, at which time the allowance is continued to any unmarried children under age 22. The spouse may elect to receive a reduced allowance that would not end upon remarriage. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

## Cost-of-Living Adjustments

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

## Purchasing Power Protection Allowance (PPPA)

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is

limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon the following schedule. The employer may choose to “pick-up” these contributions for the employees.

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$317.

The percent contributed above the monthly compensation breakpoint is 6%.

### **Refund of Employee Contributions**

If the member’s service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee’s *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member’s survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

### **Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 62 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If

the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## STATE PEACE OFFICERS AND FIREFIGHTERS

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of this plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from either the **3% at 55** or the **3% at 50** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<u>Retirement Age</u>	<u>3% at 55 Factor</u>	<u>Retirement Age</u>	<u>3% at 50 Factor</u>
50	2.400%	50 & Up	3.000%
51	2.520%		
52	2.640%		
53	2.760%		
54	2.880%		
55 & Up	3.000%		

- Currently, about 99.1% of its active members are subject to the **3% at 50** benefit factor. The rest of its active members (about 0.9%) are subject to the **3% at 55** benefit factor.
- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.

- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this group are not covered by Social Security. The final compensation is not offset by a dollar amount.
- The Service Retirement benefit is capped at 90% of final compensation.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

#### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.



Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

## **Industrial (Job-Related) Disability Retirement**

### **Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

### **Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

## **Post-Retirement Death Benefit**

### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

## **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance (PRSA)* or simply as *survivor continuance*.

In other words, 50% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to

unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime. This benefit will be discontinued in the event the spouse remarries.

The remaining 50% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

## **Alternate Death Benefit**

### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

## **1957 Survivor Benefit**

### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

## **Optional Settlement 2 Death Benefit**

### **Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

**Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

**Special Death Benefit****Eligibility**

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

**Benefit**

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death or remarriage, at which time the allowance is continued to any unmarried children under age 22. The spouse may elect to receive a reduced allowance that would not end upon remarriage. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

**Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

**Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon one of the following schedules. The employer may choose to “pick-up” these contributions for the employees.

Approximately two thirds of the active population is subject to the following schedule:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$863.
- The percent contributed above the monthly compensation breakpoint is 8%.

Approximately one sixth of the active population is subject to the following schedule:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$238.
- The percent contributed above the monthly compensation breakpoint is 8%.

The remainder of the active population is subject to the following schedule:

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is \$513.
- The percent contributed above the monthly compensation breakpoint is 8%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A

member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 62 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## CALIFORNIA HIGHWAY PATROL

The following is a summary of the major plan provisions used in calculating the liabilities of the plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees is **3% at all ages**, it does not depend on the member's age at retirement.
- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.
- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). In addition, the final compensation used for calculating retirement benefits is increased by 8% at the time of retirement. The employees in this group are not covered by Social Security. The final compensation is not offset by a dollar amount.
- The Service Retirement benefit is capped at 90% of final compensation.

#### Vested Deferred Retirement

##### Eligibility for Deferred Status

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned

at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

## **Non-Industrial (Non-Job Related) Disability Retirement**

### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

## **Industrial (Job-Related) Disability Retirement**

### **Eligibility**

An employee is eligible for Industrial Disability Retirement if he or she becomes *disabled* while working, where *disabled* means the member is unable to perform the duties of the job because of a



work-related illness or injury which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described in the next paragraph.

### **Benefit**

The Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation. However, if a member is eligible for Service Retirement and if the Service Retirement benefit is more than the Industrial Disability Retirement benefit, the member may choose to receive the larger benefit. For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return or annuitization of the accumulated member contributions with respect to employment in this group.

### **Post-Retirement Death Benefit**

#### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

### **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance. This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 50% of the allowance, the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime. This benefit will be discontinued in the event the spouse remarries.

The remaining 50% of the retirement allowance, which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Group Term Life Insurance**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. This benefit is in addition to other pre-retirement death benefits.

#### **Benefit**

The benefit is a lump sum payment of \$5,000 plus an additional amount equal to 50% of the annual compensation earned by the deceased member during the 12 months immediately preceding the member's death. The additional amount shall not be paid if the member is eligible for service retirement or the Alternate Death Benefit.

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary shall be paid only if the member is eligible for service retirement or eligible for the Alternate Death Benefit. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **Alternate Death Benefit**

#### **Eligibility**

This benefit may be received in lieu of the lump sum Basic Death Benefit if there is a surviving spouse or minor child of the member. The member must have died before reaching the minimum retirement age and must have been credited with at least 20 years of state service.

#### **Benefit**

The Alternate Death Benefit is calculated as though the member were the minimum retirement age and elected an optional form of benefit that provided 100% continuance to the member's spouse. If the member did not have a spouse at the time of death, one-half of the formula benefit would be paid to the surviving child. If the benefit is payable to a surviving child, the benefit will be discontinued upon death or the attainment of age 18.

## **1957 Survivor Benefit**

### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

## **Optional Settlement 2 Death Benefit**

### **Eligibility**

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the 1957 Survivor benefit.

### **Benefit**

The Optional Settlement 2 Death benefit is a monthly allowance equal to the Service Retirement benefit that the member would have received had the member retired on the date of his or her death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after his or her death to a surviving beneficiary.) The allowance is payable as long as the surviving spouse lives. Upon the death of the surviving spouse, the benefit shall be continued to minor children. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

## Special Death Benefit

### Eligibility

An employee's *eligible survivor(s)* may receive the Special Death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried children under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

### Benefit

The Special Death benefit is a monthly allowance equal to 50% of final compensation, and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death or remarriage, at which time the allowance is continued to any unmarried children under age 22. The spouse may elect to receive a reduced allowance that would not end upon remarriage. There is a guarantee that the total amount paid will at least equal the Basic Death Benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving children (*eligible* means unmarried children under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

## Cost-of-Living Adjustments

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

## Purchasing Power Protection Allowance (PPPA)

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

## Employee Contributions

Each employee contributes toward his or her retirement based upon the following schedule. The employer may choose to “pick-up” these contributions for the employees.

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$863.

The percent contributed above the monthly compensation breakpoint is 8%.

## Refund of Employee Contributions

If the member’s service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## 1959 SURVIVOR BENEFITS PROGRAM

### Eligibility

This benefit is available only to employees who are not covered by Social Security. An employee’s *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member’s survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

### Benefit

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 62 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.

## SCHOOLS

The following is a summary of the major plan provisions for the most representative group used in calculating the liabilities of this plan. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the complex Public Employees' Retirement Law. The law itself governs in all situations.

### RETIREMENT PROGRAM

#### Service Retirement

##### Eligibility

A CalPERS member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

##### Benefit

The Service Retirement benefit calculated for service earned by this group of employees is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation*, where

- The *benefit factor* for this group of employees comes from the **2% at 55** benefit factor table. The factor depends on the member's age at retirement. Listed below are the factors for retirement at whole year ages:

<b>Retirement Age</b>	<b>2% at 55 Factor</b>
50	1.100%
51	1.280%
52	1.460%
53	1.640%
54	1.820%
55	2.000%
56	2.064%
57	2.126%
58	2.188%
59	2.250%
60	2.314%
61	2.376%
62	2.438%
63 & Up	2.500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each

employer's contract, and then added together for the total allowance. Any unused sick leave accumulated at the time of retirement will be converted to credited service at the rate of 0.004 years of service for each day of sick leave.

- The *final compensation* is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The employees in this plan may or may not be covered by Social Security. For employees with service prior to January 1, 2001 covered by Social Security, the final compensation is offset by \$133.33 (or by one-third if the final compensation is less than \$400).
- The Service Retirement benefit is not capped.

### **Vested Deferred Retirement**

#### **Eligibility for Deferred Status**

A CalPERS member becomes eligible for a deferred vested retirement benefit when he or she leaves employment, keeps his or her contribution account balance on deposit with CalPERS, **and** has earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements).

#### **Eligibility to Start Receiving Benefits**

The CalPERS member becomes eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for Deferred Status and upon attainment of age 50.

#### **Benefit**

The vested deferred retirement benefit is the same as the Service Retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

### **Non-Industrial (Non-Job Related) Disability Retirement**

#### **Eligibility**

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all PERS employers, and with certain other Retirement Systems with which PERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform his or her job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively working with any CalPERS employer at the time of disability in order to be eligible for this benefit.

#### **Benefit**

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:



- *service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of Final Compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

### **Post-Retirement Death Benefit**

#### **Lump Sum Payment**

Upon the death of a retiree, a one-time lump sum payment of \$2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

### **Form of Payment for Retirement Allowance**

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of his or her allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in his or her retirement allowance. The larger the amount to be provided to the beneficiary is, and the younger the beneficiary is, the greater the reduction to the retiree's allowance.

For retirement allowances with respect to service earned by employment in this group, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, *without* a reduction in the retiree's allowance (50% for service not covered by Social Security). This additional benefit is often referred to as *post retirement survivor allowance* (PRSA) or simply as *survivor continuance*.

In other words, 25% of the allowance (or 50% for service not covered by Social Security), the *continuance portion*, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried children until they attain age 18; or, if no eligible children, to a qualifying dependent parent) for the rest of his or her lifetime. This benefit will be discontinued in the event the spouse remarries.

The remaining 75% of the retirement allowance (or 50% for service not covered by Social Security), which may be referred to as the *option portion* of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this *option portion* to be paid to **any** designated beneficiary after the retiree's death. CalPERS offers a variety of such benefit

options, which the retiree pays for by taking a reduction to the option portion of his or her retirement allowance.

## **Pre-Retirement Death Benefits**

### **Basic Death Benefit**

#### **Eligibility**

An employee's beneficiary (or estate) may receive the Basic Death benefit if the member dies while actively employed. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit described below may choose to receive that death benefit instead of this Basic Death benefit.

#### **Benefit**

The Basic Death Benefit is a lump sum in the amount of the member's accumulated contributions, where interest is currently credited at 7.75% per year. In addition, a lump sum in the amount of six months' salary is paid. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

### **1957 Survivor Benefit**

#### **Eligibility**

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried children under age 18. A member's survivor may choose this benefit in lieu of the Basic Death benefit or the Special Death benefit.

#### **Benefit**

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified Service Retirement benefit that the member would have been entitled to receive if the member had retired on the date of his or her death. If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death or attainment of age 18, unless the child is disabled. There is a guarantee that the total amount paid will at least equal the Basic Death benefit.

## **Cost-of-Living Adjustments**

Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%. However, the cumulative adjustment may not be greater than the cumulative change in the Consumer Price Index since the date of retirement.

### **Purchasing Power Protection Allowance (PPPA)**

Retirement and survivor allowances are protected against inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

### **Employee Contributions**

Each employee contributes toward his or her retirement based upon one of the following schedules. The employer may choose to “pick-up” these contributions for the employees.

The contribution schedule is as follows:

The percent contributed below the monthly compensation breakpoint is 0%.

The monthly compensation breakpoint is \$0.

The percent contributed above the monthly compensation breakpoint is 7%.

### **Refund of Employee Contributions**

If the member's service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of his or her employee contributions, which are credited annually with 6% interest.

## **1959 SURVIVOR BENEFITS PROGRAM**

### **Eligibility**

This benefit is available only to employees who are not covered by Social Security. An employee's *eligible survivor(s)* may receive the 1959 Survivor benefit if the member dies while actively employed and the member had elected to pay for coverage under this benefit program. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death and who is either caring for unmarried children under age 22 or is at least 62 years old; or, if there is no eligible spouse, the member's unmarried children under age 22. A member's survivor who is eligible for any other pre-retirement death benefit described in the **Retirement Program** section above will receive the 1959 Survivor benefit in addition to that death benefit, except as described in the paragraphs below.

**Benefit**

The 5<sup>th</sup> level 1959 Survivor Benefit, for members who elected this coverage or for whom this coverage was mandatory, is a monthly allowance equal to one of the following, depending upon the set of eligible survivors:

\$1,800 to an eligible spouse with two or more eligible children; or three or more eligible children.

\$1,500 to an eligible spouse with one eligible child; or two eligible children only.

\$ 750 to one eligible child only; or spouse age 62 or older; or dependent parents.

If the benefit is payable to the spouse, the benefit is discontinued upon the death or remarriage of the spouse. The spouse may elect to receive a reduced allowance that would not end upon remarriage. If the benefit is payable to a dependent child, the benefit will be discontinued upon death, marriage or attainment of age 22.

If a member's survivor is receiving the Special Death benefit as described in the **Retirement Program** section above, then the amount of the 1959 Survivor benefit will be reduced by the amount of the Special Death benefit.

**Cost-of-Living Adjustment**

There is no cost-of-living adjustment to the 1959 Survivor benefit.

**Employee Contributions**

Each employee contributes \$2.00 per month. These contributions are non-refundable.